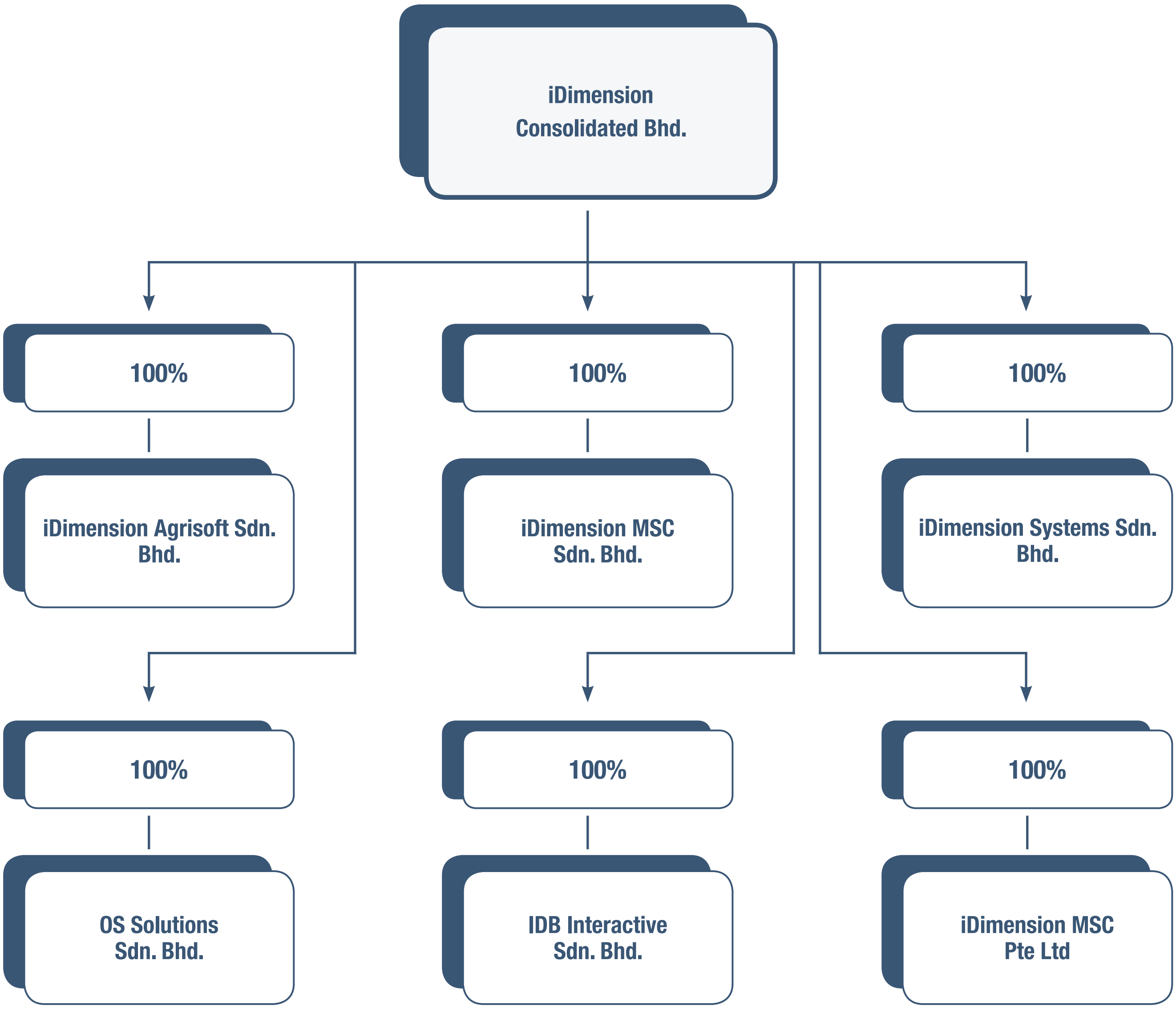
IDIMENSION CONSOLIDATED BHD

Company No.:925990-A
(Incorporated in Malaysia)

Annual Report 2016

GROUP STRUCTURE



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datu Dr. Michael Dosim AK Lunjew
Chairman, Independent Non-Executive Director

Daniel Boo Hui Siong
Managing Director

Pang Lee Fung
Executive Director

Tan Kian Meng
Executive Director

Collin Goonting A/L O.S. Goonting
Independent Non-Executive Director

Eric Lim Kheng Joo
Independent Non-Executive Director

AUDIT COMMITTEE

Eric Lim Kheng Joo (Chairman)
Datu Dr. Michael Dosim AK Lunjew
Collin Goonting A/L O.S. Goonting

NOMINATION COMMITTEE

Datu Dr. Michael Dosim AK Lunjew (Chairman)
Collin Goonting A/L O.S. Goonting
Eric Lim Kheng Joo

REMUNERATION COMMITTEE

Datu Dr. Michael Dosim AK Lunjew (Chairman)
Daniel Boo Hui Siong
Collin Goonting A/L O.S. Goonting
Eric Lim Kheng Joo

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Chin Mun Yee (MAICSA 7019243)

AUDITORS

BDO (AF 0206)
Level 8, Menara CenTARa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur,
Wilayah Persekutuan

REGISTERED OFFICE

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50490 Kuala Lumpur,
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PRINCIPAL PLACE OF BUSINESS

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Selangor Darul Ehsan
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+603-7806 4134
Facsimile No. : +603-7803 9013
Website : www.idimensionsystems.com

SHARE REGISTRAR

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Level 7, Menara Milenium,
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Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
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Telephone No. : +603-2084 9000
Facsimile No. : +603-2094 9940
+603-2095 0292

PRINCIPAL BANKERS

Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : IDMENSN
Stock Code : 0174

Dear Valued Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report and Audited Financial Statements of IDimension Consolidated Bhd and its group of companies for the financial year ended 31 December 2016.

OVERVIEW AND FINANCIAL PERFORMANCE

For the financial year ended 31 December 2016 ("FY16"), the Group recorded a profit after tax of RM 1.13 million against a revenue of RM 56.88 million whereas in the previous year the Group recorded a loss of RM 3.48 million against a revenue of RM 56.74 million. The increase of the profit after tax is primarily due to the reversal of impairment loss on trade receivables of RM 1.84 million which was provided in the financial year ended 31 December 2015 ("FY15") and no impairment loss on trade receivables required in FY16 as compared to RM 3.71 million provided in FY15.

Although the Group revenue for both FY16 and FY15 stand within the range of RM 56.7 million and RM 56.9 million, there are significant movement on revenue by operating segment. The revenue of the Information Technology ("IT") business segment is decreased by 21.27% in FY16, which recorded RM 11.36 million, as against RM 14.43 million in the previous year. This was mainly due to the facts that the overall competition landscape for the IT industry remains challenging. On the flip side, the revenue in the online gaming business segment increased by 7.59% amounting to RM 45.52 million, as against RM 42.31 million in FY15 mainly due to the expanded reseller base in the respective countries.

DIVIDEND

The Board does not recommend any dividend for FY16.

OVERVIEW OF THE MALAYSIAN ECONOMY

Based on Bank Negara Malaysia's Fourth Quarterly Bulletin of 2016, for the year 2016, the Malaysian economy grew by 4.5% in the fourth quarter of 2016, supported by continued expansion in private sector expenditure. On the supply side, growth continues to be driven by the manufacturing and service sectors. Inflation, increased to 1.7% in the fourth quarter of 2016, driven mainly by upward adjustments to domestic fuel prices during the quarter. Going forward, the global economy is expected to improve but remains on a moderate growth path. There are indications of more sustained growth in the major economies in 2017. However, downside risks to global growth continue to prevail, arising from the volatility in commodity prices, policy uncertainties and growth prospects of the major developed economies, heightened risk aversions in the global financial markets as well as geopolitical developments.

FUTURE PROSPECT

We are cautiously optimistic in growing our business in 2017 amidst the challenges posed by the volatile global economic growth. Sales are anticipated to be driven by both existing customers and contributions from new customers. The Group will focus in product development and enhancement on the existing products. We will also continue to take necessary action to rationalise the Group's operations to achieve optimal and efficient cost structure.

APPRECIATION

On behalf of the Board, I would like to convey my sincere gratitude to the Management and employees of our Group for their tireless effort, loyalty, dedication and commitment to drive the Group forward. My gratitude also goes out to our customers, business partners and associates for their invaluable support and confidence. Appreciation must also be extended to government agencies and regulatory authorities for the guidance, cooperation and support.

DATU DR. MICHAEL DOSIM AK LUNJEW
Chairman

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of iDimension Consolidated Bhd. MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying notes to the Audited Financial Statements for the financial year ended 31 December 2016 ("AFS 2016").

Group's Business and Operation

We are primarily involved in Information Technology ("IT") business and online gaming.

The IT business involves developing of in-house software solutions (own proprietary manufacturing software solution) and customised solutions that combine our in-house developed modules with third party software which is an end-to-end solutions of consulting services, systems design, systems configuration, hardware, software installation, testing, and commissioning. Apart from the end-to-end solutions, we also undertake software application maintenance services where we provide on-call technical support and enhancement for the software solutions we provide.

In the financial year ended 31 December 2016 ("FY16"), the Group had successfully promoted the end-to-end software solutions in the plantation, poultry and fast-moving-consumer-good ("FMCG") sectors. We implemented the end-to-end software solution in one (1) of the listed companies and the project is still on-going. With the venture into plantation, poultry and FMCG sectors, the Group will reduce its dependency on semi-conductor industry. In year 2016, we also continue our effort to make significant headways in exporting our software solutions, which represented 51.86% of our total revenue. Our ability to export our services is a testament of the quality of our services and software solutions. Most importantly, it opens up a significantly larger global market opportunities to sustain our business growth in future. Despite the effort on venture into various sectors and focus on export, the total revenue of the IT business was decreased by 21.27% for the FY16 recorded at RM 11.36 million, as against RM 14.43 million in the previous year. This was mainly due to the facts that the overall competition landscape for the IT industry remains challenging.

The online gaming business involves providing and distributing of online games and other ICT products to telecommunication companies and general consumers. This is a new operating segment for the Group where the Group acquired this segment by piecemeal, 20% equity interest in financial year 2013, 60% equity interest on 16 May 2014 and the remaining 20% equity interest on 19 June 2015.

The online game operating segment is the main contributor to the Group total revenue and net profit before tax. In the FY16, the total revenue was RM 45.52 million represents 80% of the Group total revenue. The total revenue grew by approximately 7.59% as compared to the previous year.

There was no significant changes in this online gaming business in FY16 operations. The exchange rate for US Dollar had been volatile in 2016. In view of the business operations was transacted in US Dollar, the online gaming segment had to adjust accordingly its pricing to customers in order to maintain its sustainability.

Financial Performance

During the FY16, the Group recorded a profit after tax of RM 1.13 million as compared to a loss after tax of RM 3.48 million in the financial year ended 31 December 2015 ("FY15").

The analysis of major items of the AFS 2016 are given below:

Results of Operations

In FY16, there was a significant decrease in the revenue of IT businesses, approximately 21.27% as compared to FY15, which was offset by the increase of 7.59% in revenue in the online gaming business segment. As a result, the Group revenue stood at RM 56.88 million.

Profit before tax increased by RM 4.53 million primarily due to a reversal of the impairment loss on trade receivables of RM 1.84 million in FY16 and no impairment loss on trade receivables required in FY16 as compared to RM 3.71 million provided in FY15.

Key changes in expenses were as follows:

- Impairment loss on product development cost of RM 0.53 million, primarily driven by certain product development cost has been idle and no expected sales in the near future.
- Significant increase in finance cost mainly on term loan interest related to the office shop lots at ICON City charged out to profit and loss and the interest charged on motor vehicles held under finance lease.

Goodwill and Intellectual Property Rights

Goodwill on consolidation and intellectual property rights with indefinite useful life for the Group arose principally from the acquisition of the subsidiary, IDB Interative Sdn Bhd in the previous year. The carrying amount as at 31 December 2016 was RM 15.39 million and RM 7.92 million respectively. Both goodwill and intellectual property rights were tested for impairment based on the Value in Use ("VIU") model to compute the present value of forecasted future cash flow of the Cash Generating Unit ("CGU").

There are no impairment loss required for the FY16 for both goodwill and intellectual property rights as the recoverable amount determined based on the significant judgements, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital is higher than the carrying amount of the CGU.

Costs of Investments in subsidiaries

The Group also tested the impairment on the cost of investments in subsidiaries of RM 39.37 million using the VIU models with the similar significant judgements to compute the present value of forecasted future cash flows of the CGU. Based on the VIU model calculation, there is no impairment required on the costs of investments in subsidiaries in FY16.

Product Development Costs

Costs incurred in the development and design of internal products are capitalised as product development cost under the intangible assets until the product is available for general release to the customers or commencement of commercial production. The amortisation of these product development costs is based on the judgements that the estimated life of the products of three (3) years.

During the financial year, the Group had recognised the impairment of the product development cost of RM 0.53 million as certain product costs have been idle and no expected sales of the said products in the near future.

Trade Receivables

The trade receivables amounted to RM 12.12 million (net of impairment loss on trade receivables amounting to RM 1.88 million) as at FY16 as compared to RM 9.10 million (net of impairment loss on trade receivables amounting to RM 3.71 million) as at FY15.

The need of impairment of receivables is assessed on various factors, including analyses of historical bad debts, customer concentration, customer creditworthiness, and the general economic factors that could affect the customer's ability to settle. In FY16, there are no impairment loss on trade receivables required based on the assessment on those said factors.

Cash Flows

The Group generated a net operating cash flows of RM 1.67 million for the FY16 as compared to a net operating cash used of RM 2.88 million for the FY15. This was mainly due to the increase of cash received from customers. Cash used in investing activities increased to RM 1.38 million as compared to the previous year of RM 0.49 million mainly due to the final payment of the property at ICON City. The increased of cash used in investment activities was offset by the loan drawdown of RM 1.05 million in the cash from financing activities.

Human Capital

Human capital is the most important assets in IT business. We need a full team of employees with a wide range of expertise and skills set to deliver the highest quality of end-to-end software solutions to our customers. We are committed to recruit and retain the best available employees by providing adequate compensation package, flexible working environment as well as training and development. In the FY16, the Group continues its effort to retain its employees by looking into the various employees' welfare. In addition, the Group also engaged a new business partner with the specific technical and skills requirement to deal with the complex projects together with the in-house employees to balance their workload and serving as part of the on job training program for employees to learn from and be guided by experienced personnel.

Anticipated or Know Risk

In the IT business, the Group is dependent on the semiconductor industry as our customers are mainly involved in this industry. However, the Group is also ventured into plantation sector, poultry and FMGC as a forward step to mitigate the dependency on the semiconductor industry.

One (1) of our main end-to-end software solutions is Microsoft Dynamics where we are dependent on Microsoft Regional Sales Corporation to purchase the software licence. As for the WinSPC software, we are dependent on Datanet Quality Systems for supplies of the software licence.

In the online gaming business, the business transaction is transacted in US Dollar which expose to foreign currency risk. However, the Management is doing their best to closely monitor the US Dollar exchange rate and to adjust its pricing to customers accordingly in order to mitigate and maintain the business sustainability in the operating region.

Forward-Looking Statement

The business environment for 2017 is generally remain challenging and competitive for the Group as the sentiment about the economy outlook remains gloomy both locally and internationally. The Management will continue their effort to proactively searching and exploring new sales and market opportunities from its existing customers base and new prospects. Meanwhile, Management also exercising vigilant costs management and working aggressively to improve the overall cost structure in the organisation's day-to-day operation.

iDimension believes that effective corporate social responsibility can deliver benefits to our business and, in turn, to our shareholders, by enhancing reputation and business trust, relationship with regulators, staff motivation and attraction to talent, customer preference and loyalty, the goodwill of local communities and long term shareholders' value.

WORKPLACE

iDimension treats our staff equally regardless of their gender, age, ethnicity, religion and background. We are committed in upholding basic human rights and do not discriminate unfairly on any basis.

Our employees also benefit from comprehensive medical benefits including Medical and Hospitalisation plan. We strive to maintain a safe and healthy working environment for employees.

Attention also being devoted towards fostering good working relationships and building team spirit among employees through events such as annual dinner.

MARKETPLACE

As a listed entity as well as an employer, the Group is obligated to its shareholders and has a statutory obligations to the relevant authorities. We strictly adhere to the disclosure requirements of Bursa Malaysia Securities Berhad and the Malaysian Accounting Standards Board. The Group has zero tolerance for fraudulent and unethical practices and conduct in its business dealings with stakeholders and within the Company.

COMMUNITY

As a responsible corporate citizen, iDimension stays committed to make positive contribution towards the community. During the year, the Group made monetary contribution to "LeBLANC Golf Charity Tournament" – a charity event organised by iDimension's business partner, the collection from the donors will proceed to various charity organisation in support of their work to spread awareness and goodwill to those in need.

ENVIRONMENT

In iDimension, we acknowledge our responsibilities for reducing the impact that our daily business operation has on the environment and continues to operate in a responsible manner by optimising our resources and reducing the generation of waste.

The Group believes it has a moral and social responsibility in reducing the carbon footprint by contributing towards a greener environment. In adherence to this, we constantly educate our staff on the importance of energy conservation by practicing good habits of switching off air-conditioning, lighting and other equipment when they are out from office. We also encouraged our staff to adopt eco-friendly practices such as using recycled paper for printing.

CONCLUSION

The Group is pleased to report that various plans have been in place for 2017 to apply the principles and comply with the recommendations of the Malaysian Code of Corporate Governance 2012 as advocated therein pursuant to Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

DATU DR. MICHAEL DOSIM AK LUNJEW
(Chairman, Independent Non-Executive Director)
Male, Aged 66, Malaysian

Datu Dr. Michael Dosim AK Lunjew ("**Datu Dr. Michael**") was appointed to the Board on 11 February 2011.

Datu Dr. Michael obtained his Bachelor of Economics (Hons) Degree from Universiti Malaya in 1975. He subsequently obtained a Master of Business Administration from the University of Toledo, United States in 1984. He obtained his PhD in Human Resource Management (Training) from Universiti Putra Malaysia in 1994.

In 1975, Datu Dr. Michael started his career with the Ministry of International Trade and Industry ("**MITI**") as an Assistant Director. He subsequently joined the National Institute of Public Administration ("**INTAN**") as a Senior Project Officer in 1980 and was appointed as the Regional Director of the INTAN Southern Campus in Kluang, Johor Darul Takzim in 1995.

In 1998, he joined the Malaysia External Trade Corporation as the Director of the Trade Research and Development Division. He subsequently re-joined MITI as the Senior Director of the Strategic Planning Division in 2002. He was then appointed as the Deputy Secretary General of the Ministry of Plantation Industries and Commodities in 2004.

In 2005, he was appointed as the Secretary General of the Ministry of Plantation Industries and Commodities and retired from the Malaysian public service in 2008. He has served with several Malaysian and international organisations in various capacities, including as the Chairman of the Malaysian Cocoa Board (2005 to 2007); Chairman of the Malaysian Timber Industry Board (2005 to 2008); Chairman of the Malaysian Rubber Board (2007 to 2008); Chairman of the International Rubber Study Group (2006 to 2007); Chairman of the Association of National Rubber Producing Countries (2007); and the Joint Chairman of the Malaysia – Indonesia Bilateral Meeting on Commodities (2007 to 2008).

Datu Dr. Michael does not hold any directorships in other public companies and listed corporations.

Datu Dr. Michael is the Chairman of the Nomination Committee and Remuneration Committee and a Member of the Audit Committee.

DANIEL BOO HUI SIONG
(Managing Director)
Male, Aged 42, Malaysian

Mr. Daniel Boo Hui Siong ("**Mr. Daniel**") is the co-founder of iDimension Consolidated Bhd and was appointed to the Board on 20 December 2010.

Mr. Daniel obtained his Bachelor of Engineering in Electrical Engineering (First Class Honours) Degree from Universiti Teknologi Malaysia in 1997. He subsequently obtained his Master of Engineering in Engineering Management from Universiti Teknologi Malaysia in 1998. He also obtained APICS Certified in Production and Inventory Management certification from The Association for Operations Management in 2004.

In 1997, Mr. Daniel started his career with Mecomb Malaysia Sdn. Bhd. as a Sales Engineer. He subsequently joined IDS-Gintic Sdn. Bhd. as the Country Manager in 1999. He founded iDimension Systems Sdn. Bhd. together with Mr. Pang Lee Fung in 2001. He is currently responsible for the overall management of the Group. He specialises in business development in the fields of business process re-engineering, ERP implementation, MES–ERP integration, APS, MES implementation, SPC, and overall equipment effectiveness.

Mr. Daniel is a director of several private limited companies. He does not hold any directorships in other public companies and listed corporatons.

Mr. Daniel is a Member of Remuneration Committee.

PANG LEE FUNG
(Executive Director)
Male, Aged 43, Malaysian

Mr. Pang Lee Fung ("**Mr. Pang**") is the co-founder of iDimension Consolidated Bhd and was appointed to the Board on 20 December 2010.

Mr. Pang obtained his Bachelor of Engineering in Electrical Engineering (Honours) Degree from Universiti Teknologi Malaysia in 1997. He also obtained APICS Certified in Production and Inventory Management certification from The Association for Operations Management in 2003.

Mr. Pang started his career as a Quality Assurance Test Engineer with Paramount Electronics Sdn. Bhd. In 1998, he joined MTDC Digital Sdn. Bhd. as a Research and Development Engineer, where he was responsible for designing electronic circuitry and digital electronic products, developing firmware and software, and developing prototypes. In 2001, he founded iDimension Systems Sdn. Bhd. together with Mr. Daniel. He is currently responsible for determining the Group's vision and mission, and sets the pace for the Group's operations and future development. He leads the Company's Equipment Automation team to develop and implement the Group's solutions for the Group's customers.

Mr. Pang does not hold any directorships in other public companies and listed corporations.

TAN KIAN MENG
(Executive Director)
Male, Aged 44, Malaysian

Mr. Tan Kian Meng ("**Mr. Tan**") was appointed to the Board on 11 February 2011. He was appointed as Chief Operating Officer of the Company on 24 February 2017.

Mr. Tan obtained his Bachelor of Engineering Degree from Universiti Teknologi Malaysia in 1997. He subsequently obtained APICS Certified Supply Chain Professional certification from The Association for Operations Management in 2003, and APICS Certified in Production and Inventory Management certification from the same body in 2004.

Mr. Tan obtained his Commonwealth Master of Business Administration (CeMBA) from Wawasan Open University in 2015.

Mr. Tan started his career as a Project Engineer with Exact Control Sdn. Bhd. He then joined iDimension Systems Sdn. Bhd. as Project Leader in 2001. He was promoted to the position of Project Manager in 2003, where he was responsible for project management and implementation. He was subsequently promoted to Chief Operating Officer where he is currently responsible for daily operation of the company, and routinely reports to the highest ranking executive.

Mr. Tan does not hold any directorships in other public companies and listed corporations.

COLLIN GOONTING A/L O.S. GOONTING
(Independent Non-Executive Director)
Male, Aged 69, Malaysian

Mr. Collin Goonting A/L O.S. Goonting ("**Mr. Collin**") was appointed to the Board on 22 November 2013.

Mr. Collin was admitted to the Honorable Society of the Inner Temple in London as a Barrister-at-Law in 1972 and has been in practice as an Advocate and Solicitor of the High Court of Malaya since. Besides litigation, Mr. Collin has always been active in the corporate and financial sectors both internationally and in Malaysia.

In litigation, Mr. Collin has acted as lead Counsel in many high profile criminal as well as civil cases for more than twenty (20) years including but not limited to Court Martial's. Overall, during his tenure he also acted for employers and employees alike in labour disputes and represented clients in the Industrial Court. As a distinguished Senior Counsel, he had represented clients both in civil as well as criminal in the Federal Court, the highest Appellate Court in Malaysia. He is still in active practice as Counsel.

In 1991, when Labuan (East Malaysia) was instituted by the Federal Government as the International Offshore Financial Centre (IOFC), the branch of Messrs. Collin Goonting & Co. ("**Firm**") was established to cater for the new industry. During the tenure of more than ten (10) years, he represented International Offshore Banks as well as foreign clients in financial matters especially in the setting up of Offshore Companies (SPV'S). The Firm was then active in legal services for the Islamic Financial services offered by the Local Offshore Banks.

Another sector in which he was actively involved in Labuan was in the Oil and Gas industry dealing with multinational offshore oil corporations in support of off-shore drilling. The Firm prepared and advised on cross border joint ventures for oil corporations based on English and International Law.

The Firm also acts for major shipping companies in Malaysia including two (2) public listed companies and had represented a listed company at the London Maritime Arbitration Centre.

From the international experience gained, he moved to Indonesia and in 2001, he set up a legal firm in Jakarta and was appointed a Legal Consultant to a company set up to build 5 x 60 MW Geothermal Power Plant. In the financial sector, he was involved and advised on private equity funding, restructuring of debts, recovery and liquidation by foreign Banks and Financial Institutions in Indonesia.

Mr. Collin is still a consultant in Indonesia in the Oil and Gas industry. He does not hold any directorships in other public companies and listed corporations.

Mr. Collin is a Member of Audit Committee, Remuneration Committee and Nomination Committee.

ERIC LIM KHENG JOO
(Independent Non-Executive Director)
Male, Aged 50, Malaysian

Mr. Eric Lim Kheng Joo ("**Mr. Eric**") was appointed to the Board on 29 November 2013.

Mr. Eric obtained his Bachelor of Business (Accounting) from Swinburne University of Technology, Melbourne, Australia in 1996.

He started his career in the field of auditing with Deloitte Touche Tohmatsu in Melbourne, Australia from 1996 to 1999. In 1999, he joined Globalwood Industries Sdn. Bhd. ("**GISB**") as Financial Controller and left GISB in 2001.

Mr. Eric has had a long career with Autron Corporation Ltd. ("**Autron**") which is listed on the main board of the Singapore Stock Exchange and Australia. He joined Autron in 2001 as Internal Audit Manager and worked his way up to the position of Financial Controller and was subsequently promoted to the position of Finance Director in 2004. He was appointed as Autron's Group Chief Executive Officer in 2006. During this period, he led Autron in transforming its business in the Surface Mount Technology (SMT) capital equipment business to the electronic manufacturing services business for the mobile and television sector in multiple manufacturing locations. He left Autron in 2010 and returned to Malaysia to start his own business in the field of food and beverages assets.

He has leadership experience in managing and driving a main board listed company, and exposed to various industries. He has substantial experience in finance, business turnaround and restructuring.

Mr. Eric does not hold any directorships in other public companies and listed corporations.

Mr. Eric is the Chairman of the Audit Committee, and Member of Remuneration Committee and Nomination Committee.

Other Information

(i) ***Family Relationship***
Except for Mr. Daniel, who is the spouse of Madam Ching Seek Fui, a major shareholder, none of the Directors has any family relationship with one another or with major shareholder.

(ii) ***Conflict of Interest***
None of the Directors has any conflict of interest with the Company.

(iii) ***Convictions for offences***
None of the Directors has been convicted for offences within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

NG MIN LIN
(Segment Operation Officer)
Male, Aged 38, Malaysian

Mr. Ng Min Lin ("**Mr. Ng**") obtained his Bachelor of Commerce which major in Accounting & Finance from the University of New South Wales, Sydney, Australia.

Mr. Ng spent his early years as an Audit Associate with KPMG, Penang. Subsequently, he ventured into the corporate world where he was the Corporate Development Manager of a company that manufactures and franchises water vending machines. A year later, he was promoted to Group Finance Director, when the company listed on the Plus Market in the United Kingdom.

As he looked for greener pastures, Mr. Ng established Esabee Biotika Sdn. Bhd **("EBSB")**, a Multi Level Marketing company which specialises in microalgae. EBSB also has a sister company in Singapore. He was the Chief Executive Officer (CEO) of EBSB since its incorporation overseeing the whole operations of EBSB. He resigned from the CEO position in the mid of year 2011. He joined Xinghe Holdings Berhad (formerly known as Key West Telecommunications Berhad) as the Executive Director in 2011 and assumed the role of a Chairman in 2016.

Mr. Ng also involved in IDB Interactive Sdn. Bhd. as company director since 2013 until now.

His involvement in IDB Interactive Sdn. Bhd. is mainly on the corporate affairs.

WONG SUM LUM
(Financial Controller)
Female, Aged 40, Malaysian

Ms. Wong Sum Lum ("**Ms. Wong**") was appointed as Financial Controller on 15 November 2016.

Ms. Wong obtained her Bachelor of Accounting & Finance from University of Technology Curtin, Western Australia in 2000. She subsequently completed her CPA papers and became a Certified Practicing Accountant of CPA Australia and Chartered Accountant of the Malaysian Institute of Accountants.

Ms. Wong has more than 15 years of experience in the areas of accounting, finance and taxation. She was previously the Finance Manager of several private companies and local public listed companies.

Ms. Wong does not hold any directorships in other public companies and listed corporations.

KENNETH BOO HUI HOWE
(Senior Manager)
Male, Aged 35, Malaysian

Mr. Kenneth Boo Hui Howe ("**Mr. Kenneth**") obtained his Bachelor of Information Systems Engineering Degree from Multimedia University in 2004.

In 2004, Mr. Kenneth started his career with Sunway Computer Services Sdn. Bhd. as a Sales Executive. He subsequently joined iDimension Systems Sdn. Bhd. as the Sales Manager in 2006 to grow the ERP business in iDimension. He was promoted as Senior Sales Manager in 2015 to lead the sales team for managing the sales team for all sales related activities.

Mr. Kenneth does not hold any directorships in other public companies and listed corporations.

Mr. Kenneth is the brother of Mr. Daniel Boo Hui Siong, the Managing Director and major shareholder of the Company and brother-in-laws of Ms. Ching Seek Fui, a deemed major shareholder of the Company.

LEE CHEOK SZE
(Manager)
Male, Aged 38, Malaysian

Mr. Lee Cheok Sze ("**Mr. Lee**") is the leader of the Manufacturing Executive System ("**MES**") team in the Company.

Mr. Lee obtained a Bachelor of Information Technology degree from Universiti Malaysia Sabah in 2002. He then obtained Project Management Professional (PMP) Certification in 2013.

In 2002, Mr. Lee started his career as Software Engineer with Carsem (M) Sdn. Bhd., where he was responsible for MES development and support.

Mr. Lee joined iDimension Systems Sdn. Bhd. in 2005 as a MES Consultant and was promoted to the post of Assistant Manager in 2006. In 2010, he was promoted as a Manager where he was responsible for managing and implementing the Company's MES projects in Malaysia, Singapore and China. He is currently responsible for managing the daily operation of the MES team and routinely report to the Director.

Mr. Lee does not hold any directorships in other public companies and listed corporations.

TAN JIA CHUEN
(Manager)
Male, Aged 35, Malaysian

Mr. Tan Jia Chuen ("**Mr. Tan**") obtained his Bachelor of Information Technology (Software Engineering) from Multimedia University, Melaka, Malaysia in 2005.

Mr. Tan started his career as a Software Developer with iDimension Systems Sdn. Bhd. He was promoted to the position of Project Manager in 2008, where he was responsible for project management and implementation of equipment automation project. He was subsequently promoted to Manager in where he is currently responsible for managing the Company's equipment automation team to develop and implement the equipment automation solutions for the customers.

Mr. Tan does not hold any directorships in other public companies and listed corporations.

Other information

(i) **Family Relationship**

Except for Mr. Kenneth, none of the Key Managment has any family relationship with the Directors and major shareholders.

(ii) **Conflict of interest**

None of the Key Management has any conflict of interest with the Company.

(iii) **Convictions for offences**

None of the Key Management has been convicted for offences with the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevent regulatory bodies.

The Board of Directors ("**the Board**") of iDimension Consolidated Bhd acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**"). The Board is fully committed in upholding high standards of corporate governance practices throughout the Group to protect and enhance long-term shareholders' value and all stakeholders' interest. This statement also serves as a compliance with Rule 15.25 of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ACE Market Listing Requirements ("**ACE LR**").

The Board is pleased to provide the following statement, which outlines the main corporate governance that has been in place throughout the financial year under review.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board provides overall strategic direction and effective control of the Group. The Board has reserved appropriate strategic, financial and organisation matters for its collective decision. The following key matters are reserved for the Board:-

i) approval of annual and interim results;
ii) acquisitions and disposals of material investments;
iii) material agreements;
iv) major capital expenditures;
v) budgets and long-term plans; and
vi) succession planning for top management.

The Board understands the principal risks of all aspects of the business that the Group is operating in and recognised that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage these risks with a view to the long-term viability of the Group.

The Board has delegated certain responsibilities to three (3) Board Committees namely, the Audit Committee, the Nomination Committee and the Remuneration Committee to assist the Board in deliberation of issues within their respective functions and terms of reference. These Committees, as entrusted by the Board, will discuss relevant issues and report to the Board with their recommendations. However, this does not absolve the Board's ultimate responsibility of decision making. The Board has conducted regular reviews of the responsibilities of the Board members and the Committees.

Key Management Team

The Board is also assisted by Management of the Company, namely the "**Key Management Team**". The Key Management Team consists of senior employees holding the following positions:-

a) Mr. Daniel Boo Hui Siong - Managing Director
b) Mr. Tan Kian Meng - Chief Operating Officer
c) Mr. Pang Lee Fung - Chief Technical Officer
d) Mr. Ng Min Lin – Segment Operation Officer
e) Ms. Wong Sum Lum - Financial Controller
f) Mr. Kenneth Boo Hui Howe – Senior Manager
g) Mr. Lee Cheok Sze - Manager
h) Mr. Tan Jia Chuen – Manager

The profiles of the Key Management Team are stated on pages 14 to 15 of this Annual Report.

The principal responsibilities of the Key Management Team are as follows:-

- Developing, co-ordinating and implementing business and corporate strategies for the approval of the Board;
- Implementing the policies and decisions of the Board;
- Overseeing the day-to-day operations of the Group;
- Participates in various management committees or working committees for the effective discharge of duties and functions; and
- Relevant member(s) of the Key Management Team will be invited to attend Board and/or Board Committees meetings to advise and furnish the Board and/or Board Committees with information, report, clarifications as and when required on the agenda items to be tabled to the Board and/or Board Committees, to enable the Board and/or Board Committees to arrive at a decision.

Clear Roles and Responsibilities

The Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the year and provided guidance and input to Management. To ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include the following:-

a) Review and Adopt Strategic Business Continuity Plans for the Company and the Group

The Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the year and provided guidance and input to Management.

During the year under review, the Board, through the Audit Committee, reviewed and discussed on the impact of the competition from a mobile application game to the Group. The Board also discussed and reviewed the business opportunities in relation to the possible development of “Steam” gaming services.

b) Oversee and Monitor the Conduct of the Group’s Businesses and Financial Performance

The Board monitors the performance of Management on a regular basis where the Board reviewed and discussed the performance of the Group during the agenda item in relation to quarterly report on consolidated results of the Company and the Group.

c) Identify Principal Risks and Ensure the Implementation of Appropriate Internal Controls and Mitigation Measures

The Audit Committee has been entrusted by the Board to identify, evaluate, monitor and manage any relevant major risk faced by the Group so that the Group will achieve its business objectives. However, the Board as a whole remains responsible for all the actions of the Audit Committee with regard to the execution of the delegated role and this includes the outcome of the review and disclosure on key risks and internal control in the Company’s Annual Reports.

During the year under review, the Audit Committee Chairman had reported the summary of the internal audit report as presented by the Internal Auditors to the Board. The Board would further discuss on the correction actions to be taken to mitigate the identified principal risks.

d) Succession Planning

The Board recognises that succession planning is an on-going process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring, training and job rotation for high level management positions that become vacant due to retirement, resignation, death or disability and/or new business opportunities.

The post of Financial Controller was vacant since 9 September 2016 and was replaced by an experienced and qualified Financial Controller on 15 November 2016.

During the year under review, the Board had also via the Audit Committee, reviewed and discussed on the issue in relation to the human resources of IDB Interactive Sdn. Bhd. (“**IDB**”), one (1) of the subsidiaries of the Company to ensure accountability of the Management team in IDB.

e) Oversee the Development and Implementation of a Shareholder Communications Policy for the Company

The Board is aware of commitment to enhance long-term shareholders' value through regular communication with all its shareholders, regardless of individual or institutional investors.

Notwithstanding that the Company did not adopt a "Shareholder Communications Policy", the Board had outlined its obligations toward the shareholders via the "Investors Relations and Shareholder Communication" in the Board Charter to ensure that the Board carries out effective communication with the Company's shareholders and stakeholders. The policy in the Board Charter serves as a guide to the Board to fulfil its responsibilities to ensure effective and timely communication with the shareholders.

f) Review the Adequacy and Integrity of Management Information System and Internal Controls System of the Company and the Group

The Board has established key control processes to ensure there is a sound framework of reporting on internal controls and regulatory compliance.

The Statement on Risk Management and Internal Control of the Group as set out on page 30 to 32 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Code of Conduct

The Group has in place a Group's Code of Conduct ("**COC**") that is applicable to all its Directors and employees. In the course of establishing the COC, the Board recognises the importance to promote and reinforce ethical standards throughout the Group. Moving forward, the Company will continuously support, promote and ensure compliance to the COC. The COC will not only apply to every employee of the Group, but also to every Director (executive and non-executive). Furthermore, the Company will strive to ensure that our consultants, agents, partners, representatives and others performing works or services for or on behalf of the Company comply with the COC.

The COC had included appropriate communication and feedback channels which facilitate whistleblowing where an employee may report any suspected improper, unethical or illegal conduct or activities to the Head of Department or executive in charge of the applicable division, subsidiary or operating unit or to the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President Human Resources. However, if an employee feels uncomfortable reporting suspected improper, unethical or illegal conduct or activities in such manner, the employee may report the conduct or activity directly or anonymously through the Company's COC email. The Company's COC email or as alternative contacts, an employee may report to the Board Chairman or the Audit Committee Chairman, contact details are as follows:

Board Chairman: michaellunjew@idimensionsystems.com
Audit Committee Chairman: auditcomm@idimensionsystems.com
COC Email: codeofconduct@idimensionsystems.com

A full copy of the COC is available for viewing at the Group's corporate website at http://www.idimensionsystems.com/investor_relations.htm.

Strategies to Promote Sustainability

The Board views the commitment to sustainability and environmental, social and governance performance as part of its broader responsibility to clients, shareholders and the communities in which it operates.

The Group recognises the importance of its corporate and social responsibility whilst pursuing its corporate goals. The Group continues to invest in its staff through continuous training to develop in-house capability and also a united workforce that assists in the Group realising its goals and objectives.

The Company's activities on corporate social responsibilities for the financial year under review are disclosed in the Corporate Social Responsibilities Statement.

Access to Information and Advice

All Directors have full access to information and entitle to obtain full disclosure by Management on matters that are put forward to the Board for decisions to ensure that they are being discussed and examined in an impartial manner that takes into consideration the long-term interests of shareholders, employees, customers, suppliers, and communities in which the Group conducts its business.

For Board meeting, all Directors are provided with sufficient notices for each Board meeting and board papers are provided to the Directors on a timely manner to allow the Directors to have ample time to peruse, obtain additional information and where applicable, to seek further clarification on the matters to be tabled at the Board meeting, so that the matters arising could be properly deliberated at the Board meeting and appropriate decisions could be made by the Board. The board papers, which contain the detailed information on the agenda to be discussed in the Board meeting would be distributed via electronic manner to the Board members before the hardcopy of the board papers are delivered to the respective Board members within seven (7) days from the date of the meetings.

The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from Management to enable the Board to discharge its duties in relation to the matters being deliberated.

The Directors whether as full Board or in their individual capacity, have unrestricted access to all information pertaining to the Group's businesses and affairs to enable them to carry out their duties effectively and diligently. In addition, where considered necessary, the Board may obtain an independent professional advice in furtherance of their duties, at the Company's expense, to enable them to make well-informed decisions.

The Board has unrestricted access to the advice and services of the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities. Board proceedings, deliberations, and conclusions of the Board at every Board meeting are duly recorded in the Board minutes by the Company Secretaries and all minutes are signed by the Chairman of the meeting.

Company Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretaries also ensure that deliberations at the Board meetings are minuted and well captured.

The appointed Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under the Companies Act, 2016.

Board Charter

The Board has formalised and adopted a Board Charter, which sets out the roles, functions, composition, operation and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's roles, duties, responsibilities and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a source of reference for Board members and Senior Management, and the same is accessible to the public on the Company's corporate website. The Board Charter was last reviewed by the Board on 24 March 2017.

A full copy of the Board Charter is available for viewing at the Group's corporate website at http://www.idimensionsystems.com/investor_relations.htm.

STRENGTHEN COMPOSITION

Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors of the Company. The Nomination Committee is established and maintained to ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board and to assess the performance of the Directors and members of the Board Committees of the Company on an on-going basis. The current members of the Committee are as follows:-

Chairman	:	Datu Dr. Michael Dosim AK Lunjew (Independent Non-Executive Director)
Member	:	Collin Goonting A/L O.S. Goonting (Independent Non-Executive Director)
Member	:	Eric Lim Kheng Joo (Independent Non-Executive Director)

The Nomination Committee is responsible for recommendations on appointment and re-appointment of Directors, having regards to the required mix of skills, knowledge, expertise, experience, professionalism, integrity, gender diversity and other qualities of the Directors to ensure that the Board is functioning effectively and efficiently.

In view of the recent amendments of the Bursa Securities ACE LR, the Terms of Reference of Nomination Committee has been revised and updated by the Board on 25 May 2016.

A copy of the Terms of Reference of the Nomination Committee is available for viewing in the Company's corporate website at http://idimensionsystems.listedcompany.com/misc/TOR_NC.pdf.

During the financial year under review, one (1) meeting was held and attended by all members. The summaries of activities of the Nomination Committee during the financial year under review were as follows:-

- Reviewed and assessed the effectiveness, composition and balance of the Board;
- Reviewed and assessed the effectiveness and contribution of each individual Director of the Company;
- Reviewed and assessed the effectiveness of the Board Committees;
- Reviewed the Directors who were due for re-election at the Company's Annual General Meeting ("**AGM**") and to determine whether or not to recommend their re-election;
- Reviewed the independent status of the Independent Directors; and
- Reviewed the profiles of the nominated Director from shareholder and reported to the Board on their recommendation.

Appointment of Directors

The appointment of Directors is under the purview of the Nomination Committee, which is to assist the Board on all new Board's and Board Committees' appointments and to provide a formal and transparent procedure for such appointments including obtaining a commitment from the candidate that sufficient time will be devoted to carry out the responsibilities as a Director.

Pursuant to the Terms of Reference of Nomination Committee, the Nomination Committee is tasked to identify and select potential new Directors and to make recommendations to the Board for the appointment of Directors. The Nomination Committee will review the following information of a potential candidate before recommending the appointment to the Board:-

- qualifications;
- skills and competence;
- functional knowledge;
- experience;
- background and character;
- integrity and professionalism;
- time commitment; and
- in the case of candidates for the position of Independent Non-Executive Directors, whether the test of independence under Bursa Securities ACE LR is satisfied.

In its review of the potential candidates, the Nomination Committee also considered the following additional criteria:-

- Prevailing government policies such as gender diversity;
- Overall composition of the Board;
- Board dynamics;
- Core competencies which the Director should bring to the Board;
- The combination of skills possessed by existing Directors to ensure the selected candidate would help close any possible gaps in the Board; and
- Financial health of the Group.

As part of its evaluation procedures, representative(s) of the Nomination Committee will conduct an informal interview with the potential candidate(s).

As defined in the Board Charter of the Company, the Board membership should reflect a greater Board diversity with an appropriate balance between Executives possessing extensive direct experience and expertise in the core business activities of the Company, and Non-Executives who have outstanding track records and reputations attained at the highest levels of business and commerce generally, and who are able to bring to the Board a broad range of general commercial expertise and experience.

All the Directors are entitled to the services of the Company Secretaries who ensures that all appointments are properly made, that all necessary information are obtained from Directors, both for the internal records and for the purposes of meeting statutory obligations, as well as obligations arising from Bursa Securities ACE LR or other regulatory requirements.

Re-election of Directors

In accordance with the Company's Articles of Association,

- An election of Directors shall take place each year;
- At each AGM, one-third (1/3) of the Directors (including the Managing Director, where applicable), or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years; and
- All Directors who are appointed to the Board either to fill a casual vacancy or as an addition to the Board, shall hold office only until the following AGM and shall then be eligible for re-election.

This requirement would be adhered to by the Board in every AGM.

Assessment of Board and Board Committees

In assessing the performance of the Board and Board Committees, the following criteria were discussed and evaluated by the Nomination Committee. Overall, the Board and Board Committees performance were rated as “above average/consistently good” for the financial year ended 31 December 2015:-

<u>Board of Directors</u>

i. Board mix and composition
ii. Quality of information and decision making
iii. Boardroom activities

<u>Self-performance of Individual Director</u>

i. Individual Board member’s roles, responsibilities and functions

Board Committees

i. Composition of the Committees
ii. Decision making
iii. Qualification of the members
iv. Experiences of the members
v. Chairman of the Committees
vi. Appointment criteria of the Board and Committees
vii. Communications of the Committees

Board Diversity

The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's creativity, efficiency and effectiveness. Female representation will be considered when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives. Currently, the Board does not have any gender diversify policy.

Notwithstanding that there is no female representative in the Board, the Financial Controller of the Group is a female. The following tables provide an overview of the gender, ethnicity and age diversity of the Board and the Key Management Team of the Group:-

Gender	Total No.	Board	Key Management Team	
			Chief Executive*	Senior Management
Male	10	6	1	4
Female	1	0	0	1
Grand Total	**11**	**6**	**1**	**5**

Age	Total No.	Board	Key Management Team	
			Chief Executive*	Senior Management
30-39	4	0	0	4
40-49	4	3	1	1
50-59	1	1	0	0
60 years and above	2	2	0	0
Grand Total	**11**	**6**	**1**	**5**

Ethnicity	Total No.	Board	Key Management Team	
			Chief Executive*	Senior Management
Bumiputera	1	1	0	0
Chinese	9	4	1	5
Indian	0	0	0	0
Others	1	1	0	0
Grand Total	**11**	**6**	**1**	**5**

** Chief Executive is also a member of the Board*

The Group is also an equal opportunity employer and all appointments and employments are based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by the Board as being important. The Nomination Committee must also take into account legal and regulatory requirements, such as those relating to residency and independence, and give due consideration to characteristics, such as gender, age, ethnicity, disability, sexual orientation and geographic representation, which contribute to Board diversity.

Remuneration Committee

The Board had established the Remuneration Committee to review and recommend the appropriate level of remuneration for the Executive Directors. The current members of the Remuneration Committee are as follows:-

Chairman : Datu Dr. Michael Dosim AK Lunjew (Independent Non-Executive Director)
Member : Daniel Boo Hui Siong (Managing Director)
Member : Collin Goonting A/L O.S. Goonting (Independent Non-Executive Director)
Member : Eric Lim Kheng Joo (Independent Non-Executive Director)

During the financial year under review, one (1) meeting was held and attended by all members. The Remuneration Committee undertook the following during the financial year under review:-

- Reviewed the Directors' fees for all the Directors;
- Reviewed the remuneration packages for the Executive Directors; and
- Reviewed the performance related bonus for the Executive Directors.

Directors' Remuneration

The Remuneration Committee considers the principles recommended by MCCG 2012 in determining the Directors' remuneration whereby, the Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectations and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.

The Executive Directors concerned play no part in the decisions on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from discussion of their own remuneration.

The number of Directors whose total remuneration fall within the following bands is set out as follows:-

Remuneration Bands	Executive Directors	Non-Executive Directors
RM50,000 and below	-	3
RM50,001-RM100,000	-	-
RM100,001-RM150,000	-	-
RM150,001-RM200,000	-	-
RM200,001-RM250,000	-	-
RM250,001-RM300,000	3	-

The details of remuneration of Directors of the Company comprising remuneration received/ receivable from the Company and its subsidiaries during the financial year ended 31 December 2016 are as follows:-

<u>Received from the Company</u>

	Fees* (RM)	Salaries and other emoluments (RM)	Bonuses (RM)	Benefits-in-kind (RM)	Statutory Contributions (RM)	Total (RM)
Executive Directors	96,000	277,018	-	-	32,070	405,088
Non-Executive Directors	102,000	9,900	-	-	-	111,900

** Subject to the approval by shareholders at the AGM.*

Received on Group Basis

	Fees* (RM)	Salaries and other emoluments (RM)	Bonuses (RM)	Benefits-in-kind (RM)	Statutory Contributions (RM)	Total (RM)
Executive Directors	96,000	830,287	-	6,444	87,356	1,020,088
Non-Executive Directors	102,000	9,900	-	-	-	111,900

** Subject to the approval by shareholders at the AGM.*

The Board views that the transparency in respect of Directors' remuneration has been reasonably dealt with by the 'band disclosure' as presented above.

REINFORCE INDEPENDENCE

Annual Assessment of Independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Director in Section 1.01 of Bursa Securities ACE LR through the assistance of the Nomination Committee. The Board has conducted an annual review of the independence of its Independent Directors taking into consideration the background, economic and family relationships and their contribution to the Board. The Board noted that Letters of Declaration have been executed by the Independent Non-Executive Directors of the Company, confirming their independence pursuant to relevant Bursa Securities ACE LR as well as the MCCG 2012 and that they have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company.

The Board considers that its Independent Directors provide an objective and independent views on various issues dealt with at the Board and Board Committees level. All Non-Executive Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board is of the view that the current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

The Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

One (1) of the recommendations of the MCCG 2012 states that the tenure of an Independent Director should not exceed a cumulative terms of nine (9) years. Upon completion of the nine (9) years' terms, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.

In line with recommendation of the MCCG 2012, the Nomination Committee had performed an annual review on the independency of the Independent Directors by adopting the concept of independence in tandem with the definition of Independent Director in Section 1.01 of Bursa Securities ACE LR. The Board noted that none of its Independent Directors have attained such tenure as at the date of this statement.

Separation of Chairman and Managing Director

The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority.

The roles of the Chairman and the Managing Director are assumed by Datu Dr. Michael Dosim AK Lunjew and Mr. Daniel Boo Hui Siong respectively. The Chairman is responsible for the Board's effectiveness and conduct, whilst the Managing Director has overall responsibilities over the business and operation of the Group. The clear division of functions and responsibilities between these two (2) roles, which have been clearly defined in the Board Charter, will ensure the balance of power and authority.

Composition and Board Balance

The Board currently has six (6) members, comprising three (3) Executive Directors including the Managing Director and three (3) Independent Non-Executive Directors. The Independent Directors represent compliance with the requirement for one-third (1/3) Independent Directors on the Board, pursuant to Rule 15.02(1) of Bursa Securities ACE LR and the adoption of the best practices set out in the MCCG 2012. The profile of each Director is presented separately in this Annual Report.

The Independent Non-Executive Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed below. The significant contributions of the Independent Non-Executive Directors in the decision making process is evidenced in their participation as members of the various Committees of the Board. In addition, the Independent Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, taking into account the stakeholders' interest in the Group. The profiles of the members of the Board, as set out in this Annual Report, demonstrate the complement of skills and experience that the Directors value add on issues of strategy, performance, control, resource allocation and integrity.

FOSTER COMMITMENT

Time Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavours to attend meetings.

The Directors observe the recommendation of MCCG 2012, that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

The Directors of the Company also disclosed and confirmed their directorships in public listed companies annually to the Company Secretaries. The Directors of the Company also undertake to inform the Company Secretaries on any changes in their directorships from time to time. The Company Secretaries monitor the changes in the directorships of the Directors in public companies, subsidiaries of public companies and public listed companies and make timely disclosures to the relevant authorities.

Board Meetings

During the financial year under review, five (5) Board meetings were held. Details of attendance by the Board members during this financial year are as set out below:-

Directors	Attendance	% of Attendance
Datu Dr. Michael Dosim AK Lunjew	5/5	100%
Daniel Boo Hui Siong	5/5	100%
Pang Lee Fung	5/5	100%
Tan Kian Meng	5/5	100%
Eric Lim Kheng Joo	4/5	80%
Collin Goonting A/L O.S. Goonting	5/5	100%

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in Bursa Securities ACE LR. The Board's and Board Committees' meetings for each of the financial year are scheduled before the end of the preceding financial year, to allow the Directors and members of the Committees to organise and plan their activities ahead to ensure that they are able to attend all meetings that have been scheduled for the following year.

All Directors have participated fully in the discussions during Board meetings. There is no Board dominance by any individual and the Directors are free to express their views and opinions during the Board meetings. In arriving at Board decisions, the view of the majority prevails at all times. In the same manner, the Directors are also aware and observe the requirement that they do not participate in the deliberations on matters of which they have a material personal interest, and abstain from voting in such matters.

Proceedings of, and resolutions passed at each Board meeting are documented in the minutes and signed by the Chairman at the subsequent Board meeting. In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board will be tabled for notation at the next Board meeting.

The Board also peruse the decisions deliberated by Board Committees through minutes of the Committees. The Chairman of the Board Committees is responsible to inform the Directors at Board meetings of any salient matters noted by the Committees and which require the Board's notice or direction.

Directors' Training

All the Directors have attended the Mandatory Accreditation Training Programme (MAP). Directors are also aware of their duty to attend continuous education programmes. The Directors have attended seminars to keep themselves updated on the expectations of their roles and other market developments. During the financial year under review, some of the trainings and briefings attended by the Directors include:-

Directors	Trainings Attended
Datu Dr. Michael Dosim AK Lunjew	• Corporate Governance Breakfast Series for Directors: Improving Board Risk Oversight Effectiveness • Fraud Risk Management – Workshop
Daniel Boo Hui Siong	Fraud Risk Management – Workshop
Pang Lee Fung	Fraud Risk Management – Workshop
Tan Kian Meng	Fraud Risk Management – Workshop
Eric Lim Kheng Joo	Corporate Governance Breakfast Series with Directors: Anti-Corruption and Intergrity – Foundation of Corporate Sustainability
Collin Goonting A/L O.S. Goonting	Corporate Governance Breakfast Series with Directors: Anti-Corruption and Intergrity – Foundation of Corporate Sustainability

The Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's businesses and operations.

During the financial year under review, the Company Secretaries had regularly updated and notified the Board and the Committees on the invitations for trainings/seminars organised by Bursa Malaysia Berhad, Securities Commission Malaysia and any other relevant bodies. Based on the training availability, the Directors had discussed during the Board Meeting the training needs of the respective member accordingly.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

1. Compliance with Applicable Financial Reporting Standards

The Board is aware of its responsibilities to the shareholders and the requirements to present a balanced and comprehensive assessment of the Group's financial performance and prospects through the annual and quarterly reports and other published information.

The Board is primarily responsible to present a fair and balanced report of the financial affairs of the Group, which is prepared in accordance with the Companies Act, 1965 and the approved accounting standards set by Malaysian Accounting Standard Board. With assistance from the Audit Committee, the Board scrutinised the financial aspect of the Audited Financial Statements and reviewed the statutory compliance aspects of the Audited Financial Statements.

2. Assessment of Sustainability and Independence of External Auditors

The Board vide the Audit Committee will conduct annual assessment of the suitability and independence of External Auditors. In the Audit Committee Meeting held on 18 March 2016, the Audit Committee had assessed the performance of the External Auditors the according to criterias a) to f). Based on the assessment, the performance of the External Auditors was rated as "Good" for the financial year ended 31 December 2015:-

a) Qualification of the Auditors under Section 9(1) of the Companies Act, 1965;
b) Skill, knowledge and experience of the Auditors;
c) Interests/relationship of the Auditors with the Company;
d) Disciplinary conduct of the Auditors;
e) Tenure of engagement of the Auditors; and
f) Quality of services/works rendered to the Company.

Based on the assessment conducted on the independence of the External Auditors, the Audit Committee noted that the engagement partner has not served for a continuous period of more than five (5) years with the Company. The Audit Committee has also received assurance from Messrs. BDO, the External Auditors of the Company confirming that the firm, its engagement partner and the audit team's independence, integrity and objectivity complied with the relevant ethical, professional and regulatory requirements.

In the assessment in quality of services/works rendered to the Company, the Audit Committee assessed the following criteria in respect of the works conducted by the External Auditors during the financial period:-

a) Geographical coverage according to the industry of the Group;
b) Ability in meeting deadlines set by the Group based on the industrial norm;
c) The audit procedures performed;
d) The staff assigned to the audit team;
e) The extend of the engagement of audit partner's in the audit process;
f) Working relationship with Management; and
g) Audit scope in covering the key financial risks of the Group.

Based on the assessment carried out, the Audit Committee was satisfied with Messrs. BDO's technical competency and audit independence during the financial year under review. Based on the recommendation from the Audit Committee, the Board agreed on the suitability of the External Auditors and recommended the re-appointment of the External Auditors to the shareholders for approval in the AGM.

RECOGNISE AND MANAGE RISKS

1. Sound Framework to Manage Risks

The Board acknowledged its overall responsibility for maintaining a sound system of internal controls, reviewing its adequacy and integrity, to safeguard shareholders' investment and the Company's assets. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Audit Committee is assigned by the Board with the duty to review the adequacy and effectiveness of control procedures at a regular basis and report to the Board on major findings for deliberation.

Notwithstanding that the Company does not formalise a Risk Management Framework for the Group, the internal controls are tested for effectiveness and efficiency during the financial year via an independent outsourced internal audit function. The internal audit report is tabled for the Audit Committee's review and comments, and the audit findings will then be communicated to the Board.

For the financial year ended 31 December 2016, the Board opined that the risk management and internal controls of the Group were effective and adequate.

The Statement on Risk Management and Internal Control is set out in the Annual Report providing an overview of the state of the risk management and internal controls within the Group.

2. Internal Audit Function

The Audit Committee is supported by an independent and adequately resourced internal audit function which has been outsourced to a professional services firm, OAC Consulting Sdn. Bhd.

Information on the Group's internal audit function which reports directly to the Audit Committee has been in place and is presented in the Audit Committee Report in this Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as required. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities and the Group's website.

Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website provides all relevant information on the Company and is accessible by the public.

The Company's corporate website is accessible at http://www.idimensionsystems.com/investor_relations.htm

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

1. Shareholders' Participation at General Meetings

The AGM is a crucial mechanism and it is the principal forum in shareholders communication. Shareholders are notified of the AGM and provided with a copy of the Company's Annual Report at least twenty-one (21) days before the AGM.

At each AGM, the Board presents the progress and performance of the Group and provides shareholders with the opportunity to raise questions pertaining to the Group. The Chairman and the Board will respond to the questions raised and undertake to provide sufficient explanation and clarification on issues and concerns raised by the shareholders.

The Board has ensured that each item of special business included in the notice of the AGM is accompanied by an explanatory statement on the effects of the proposed resolution to facilitate full understanding and evaluation of the issues involved. Where Extraordinary General Meeting is held to obtain shareholders' approval on business or corporate proposals, comprehensive circulars are sent to shareholders within the prescribed deadlines in accordance with regulatory and statutory provisions.

2. Poll Voting

Further to the recent changes to Bursa Securities ACE LR on the requirement for poll voting for any resolution set out in the notice of general meetings which will apply to general meetings held on or after 1 July 2016, the Board will ensure that all resolutions set out in the notice of general meetings will be voted by way of poll.

3. Shareholders' Communication and Investor Relations

The Group recognises the importance of timely and thorough dissemination of information to shareholders and other stakeholders. In this regard, the information that is disseminated to the investment community conforms strictly with Bursa Securities' disclosures, rules and regulations. Care is taken to ensure that no market sensitive information such as corporate proposals, financial results and other material information are disseminated to any party without first making an official announcement through Bursa Securities.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:-

(i) the Annual Report, which contains the financial and operational review of the Group's businesses, corporate information, financial statements, and information on Board Committees and Board of Directors;

(ii) the various disclosures and announcements made to Bursa Securities' website at http://www.bursamalaysia.com;

(iii) the Company's website at http://www.idimensionsystems.com which shareholders as well as members of the public are invited to access for the latest information on the Group;

(v) the email alerts service where the Company's system will automatically send the subscriber newly posted Company's announcements and news updates on the Company via email; and

(iv) participation in surveys and research conducted by professional organisations as and when such requests arise.

The Company had also published the investor relation contact in the Company's website to enable shareholders to provide feedbacks/queries.

COMPLIANCE STATEMENT

The Board has taken steps to ensure that the Group has implemented as far as possible the Principles and Recommendations as set out in the MCCG 2012 and the Board considers that all Principles and Recommendations have been substantially implemented in accordance with the MCCG 2012. The areas of non-compliance with the MCCG 2012 are as follows:-

- The Board currently has no Senior Independent Non-Executive Director. Participation of the Board members on all issues is encouraged.
- The Chairman of the Nomination Committee is not a Senior Independent Non-Executive Director as the Board has yet to identify the said Senior Independent Non-Executive Director.

This statement is made in accordance with a Board of Directors' written resolution passed on 14 April 2017.

Pursuant to Rule 15.26 (b) of Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements"), the Board of Director is required to make a statement in the annual report to state the risk management and internal control of the Group for the financial year ended 31 December 2016. In this regard, the Board of iDimension Consolidated Bhd is pleased to present the following statement on the Risk Management and the Internal Control which prepared pursuant ot the Listing Requirement and after taking into consideration of the guidelines as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Board Responsibility

The Board of Directors ("Board") acknowledges its responsibility and reaffirms its commitment in recognizing the importance of an effective system of internal control and risk management practices to enhance good corporate governance.

The Board is ultimately responsible for the Group's system of internal control and risk management which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity.

The Board is equally aware that due to the limitations that are inherent in any system of internal control, the risk management framework and internal control systems are designed to manage the Group's risk within an acceptable risk appetite, rather than eliminate the risk of failure to achieve corporate objectives. The system, by its nature, can only provide reasonable assurance, and not absolute assurance against any material misstatement of financial information and records or against financial losses or fraud.

The Board is of the view that the system of internal control and risk management in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of the customers, regulators and employees, and the Group's assets.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faces, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Key Elements of the Internal Control Process

The key processes that the Board has established in reviewing the adequacy and integrity of the system of risk management and internal control include:

1) The Board receives and reviews management and financial reports on a quarterly basis, which highlight the key performance achievements and indices, potential risks, legal issues at hand if any, environmental and key regulatory matters.

2) A structured assessment on the board effectiveness and individual director's performance evaluation has been established for the Board of Directors for evaluation on an annual basis.

3) Standard operating procedures which include policies and procedures within the Group are continuously reviewed and updated where necessary.

4) Quarterly comprehensive information provided to Board of Directors and Management, covering operational and financial performance.

5) Quarterly internal audit visit which provide independent assurance of the effectiveness of the Group's system of internal controls and advise the Management on the areas for improvement.

6) The outsourced internal audit firm, reporting to the Audit Committee, performs quarterly reviews of business processes to assess the effectiveness of the system of risk management and internal control and highlights significant risks affecting the Group with recommendations on risk mitigation measures.

INTERNAL CONTROL

The Board is satisfied that for the financial year under review, there were no deficiencies or error arising from any inadequacy or failure of the Group's system of internal control that would require disclosure in the Group's Annual Report.

Management will continue to take measures to strengthen the control environment. In our efforts to improve our system of internal control. Since financial year 2011, outsourced its internal audit function to a professional services firm.

RISK MANAGEMENT FRAMEWORK

The Board reviews the Group's key commercial and financial risks together with general risks relating to compliance with laws and regulations on quarterly basis so that reasonable level of assurance that the system of controls and operations is appropriate to the Group's situation and that there is an acceptable level of risk throughout the Group's businesses and re-evaluate its risk management practices to ensure it is appropriate and relevant to the Group's requirements.

Risk identification and evaluation process

The risks are identified through a series of interviews and discussions with the key personnel and management of the Group by the professional outsourced team. The risk identification process includes consideration of both internal and external environmental factors. Those risks identified are evaluated by examining the potential consequence on the Group if a risk was to crystallize as well as the likelihood of occurrence. The overall Gross risk is rated on a scale of low, moderate, significant and high.

Risk adoption and monitoring process

All the key risks identified are documented into a "Risk Summary". They are timely assessed and control procedures or mitigating factors are re-evaluated accordingly and additional control procedures or mitigating factors are taken when necessary in order to ensure that the key risks are mitigated to an acceptable level. The Board reviews the process on an on-going basis.

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to OAC Consulting Sdn Bhd since January 2012. The internal auditors adopted a risk-based approach and they conduct quarterly reviews and appraisals of the effectiveness of governance, risk management and internal control processes within the company on different aspects of the internal control and risk management processes.

The results of the internal audit reviews and recommendations for improvements were presented to the Audit Committee. The progress of implementation of the agreed action plans will be monitored through follow up reviews. During the year, there was no material internal control with significant problems.

ASSURANCE

In view of the Group's current business activities, the Board is of the view that the above monitoring and reporting processes which have been put in place, provide an adequate from of check and balance. Nevertheless, the Board acknowledges that the system must continuously evolve and improve to support the Group's business activities.

The Board recognizes that the systems of internal control and risk management must continuously evolve and improve in line with the growth and evolving business environment of the Group. Therefore, the Board is committed to devise adequate plans, where necessary, to continuously improve the Group's system of internal control and risk management.

CONCLUSION

There have been no significant weaknesses in the system of risk management and internal controls that have resulted in material losses, contingencies or uncertainties requiring disclosure in the Annual Report. The Board is of the opinion that the system of risk management and internal control throughout the Group for the year under review and up to the date of this report is sound and sufficient for the Group. The Board has also received assurances from the Chief Executive Officer and the Executive Directors that the Group's risk management and internal control system are operating adequately and effectively.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Securities Listing Requirements, the external auditors have reviewed this Statement on Risk Management & Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Recommended Practice Guide 5 (Revised) issued by Malaysian Institute of Accountants. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraph 41 & 42 of the Guidelines, nor is it factually inaccurate.

This statement is issued in accordance with a Board of Directors' written resolution passed on 14 April 2017.

STATUS OF UTILISATION OF PROCEEDS

The Company did not undertake any corporate proposal to raise any proceed during the financial year under review.

AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2016, Messrs. BDO, the External Auditors have rendered statutory audit and non-statutory audit services to the Company and the Group. A breakdown of fees paid were listed as below for information:-

	Company (RM)	Group (RM)
Statutory audit services rendered		
Statutory audit	32,500	114,500*
Non-statutory audit services rendered		
Review of Statement on Risk Management and Internal Control Review of Realised and Unrealised Profits or Losses	8,000	8,000
Total	**40,500**	**122,500**

* Subsidiary incorporated in Republic of Singapore not audited by Messrs. BDO is excluded from the above fees paid.

MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries involving the interest of the Directors, Chief Executive and major shareholders during the financial year under review.

EMPLOYEE SHARE SCHEME

The Company did not implement any employee share scheme during the financial year under review.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

There was no RRPT for the financial year ended 31 December 2016.

The Board of Directors of iDimension Consolidated Bhd is pleased to present the Audit Committee Report and its activities for the financial year ended 31 December 2016.

1. COMPOSITION OF AUDIT COMMITTEE

Eric Lim Kheng Joo (Independent Non-Executive Director)(Chairman)
Datu Dr. Michael Dosim AK Lunjew (Independent Non-Executive Director)(Member)
Collin Goonting A/L O.S. Goonting (Independent Non-Executive Director)(Member)

2. ATTENDANCE OF AUDIT COMMITTEE MEMBERS

During the financial year ended 31 December 2016, the Audit Committee held a total of five (5) meetings, including two (2) sessions with the External Auditors without Executive Directors' and Management's presence. The present members of the Audit Committee of the Company together with their attendance record are as follows:-

Members	Meetings attended by the members/Total number of meetings held during the financial year ended 31 December 2016	% of Attendance
Eric Lim Kheng Joo*	4/5	80%
Datu Dr. Michael Dosim AK Lunjew	5/5	100%
Collin Goonting A/L O.S. Goonting	5/5	100%

* Mr. Eric Lim Kheng Joo is a member of the Malaysian Institute of Accountants.

The representatives of the Internal Auditors attended four (4) of the meetings held during the financial year. Other Senior Management personnel and the representatives of the External Auditors also attended these meetings upon invitation to brief the Audit Committee on specific issues.

3. SUMMARY OF WORKS OF THE AUDIT COMMITTEE

The Audit Committee had undertaken the following main activities during the financial year ended 31 December 2016:-

A. Review of financial performance and results

- Reviewed the Group's quarterly financial results prior to approval by the Board and announcement to Bursa Malaysia Securities Berhad ("**Bursa Securities**");
- Reviewed the Audited Financial Statements for the financial year ended 31 December 2015 before approval by the Board;

B. Oversight of External Auditors

- Reviewed the annual Audit Planning Memorandum for the Group for the financial year ended 31 December 2016;
- Reviewed updates on the introduction of Malaysian Financial Reporting Standards and how they have impacted the Group and monitored the progress made by Management in meeting the new reporting requirements;
- Updated by the External Auditors on changes to the relevant guidelines on the regulatory and statutory requirements;
- Discussed with the External Auditors on audit issues, audit reports and assistance provided by Management;
- Meetings with External Auditors without the presence of Executive Directors and Management;
- Reviewed and assessed the suitability and independence of the External Auditors;
- Reviewed the proposed audit fees of the External Auditors prior to the approval by the Board;
- Reviewed the performance of the External Auditors for re-election at the Annual General Meeting prior to the approval by the Board;

C. Oversight of Internal Auditors and internal audit function

- Reviewed and discussed on the Internal Audit Planning Memorandum 2017 tabled by the Internal Auditors;
- Discussed with the Internal Auditors and Management on the internal audit report and the follow-up actions taken by Management on audit issues raised by the Internal Auditors;
- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for inclusion in the Annual Report 2015 prior to the submission to the Board for approval;

D. Review of related party transactions

- Reviewed and monitored the related party transactions entered into by the Company and the Group on a quarterly basis;

E. Others

- Reviewed the revised Terms of Reference of the Audit Committee;
- Monitored the accounts receivables and request explanations from Management on the overdue receivables; and
- Reported to the Board on any significant issues and concerns.

4. TERMS OF REFERENCE

The full Terms of Reference of the Audit Committee is available at the Company's website at http://idimensionsystems.listedcompany.com/misc/TOR_AC.pdf.

5. REVIEW OF THE AUDIT COMMITTEE

The Nomination Committee of the Company shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

6. INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced internal audit function which has been outsourced to a professional services firm, OAC Consulting Sdn. Bhd.

The main role of the internal audit function is to review the effectiveness of the system of internal control and risk management. This is performed with impartiality, proficiency and due professional care. During the financial year, the internal audit activities have been carried out according to the Internal Audit Planning Memorandum 2016 which has been approved by the Audit Committee.

The Audit Committee meets quarterly with the Internal Auditors to review and discuss on the internal audit findings from the Internal Auditors. The Internal Audit Report incorporating the audit recommendations and Management's responses with regards to the audit findings on the weaknesses in the operations of different areas audited by the Internal Auditors. The Internal Auditors also table the follow-up status of audit report issued to the Audit Committee to report on the status of the corrective actions taken by Management.

Internal Auditors' Objective and Approach

The audit objective of the Internal Auditors was to ensure the adequacy and effectiveness of the internal control systems of the Group with emphasis on several critical business activities having significant impact on shareholders' value.

For the financial year ended 31 December 2016, the Internal Auditors had successfully conducted the audits in the following areas in accordance with their Audit Planning Memorandum 2016 which was approved by the Audit Committee:-

1. Procurement
2. Credit Management
3. Payment

The Internal Auditors have adopted the Committee of Sponsoring Organisations of the Treadway Commission (COSO) control framework throughout their audit implementation as a basis of assessing the adequacy and effectiveness of the Group's risk and control processes. This approach is also in compliance with Bursa Securities ACE Market Listing Requirements on the issuance of this Statement.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2016 amounted to RM37,800.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared in compliance with the Companies Act, 1965, Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("**ACE LR**") and the applicable approved accounting policies.

The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the financial year end and of the results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements:-

- the Group and the Company have used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Group maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965, the ACE LR and the applicable Malaysian Accounting Standard Board approved accounting standards in Malaysia.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	1,128,673	839,441
Attributable to:		
Owners of the parent	1,128,673	839,441
Non-controlling interests	-	-
	1,128,673	839,441

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

WARRANTS

In the previous financial year, on 15 July 2015, the Company issued 247,462,066 2015/2020 free Warrants ('the Warrants 2015/2020') on the basis of one (1) free warrant for every two (2) existing ordinary shares held of RM0.10 each. The Warrants are constituted under a Deed Poll dated 25 June 2015 ('Deed Poll'). The Warrants 2015/2020 were listed on ACE Market of Bursa Malaysia Securities Berhad on 22 July 2015.

WARRANTS (continued)

The salient features of the Warrants 2015/2020 are as follows:

(i) the Warrants 2015/2020 entitle its registered holders to subscribe for one (1) new ordinary share of the Company of RM0.10 each at the exercise price during the exercise period;

(ii) the exercise price of each Warrant has been fixed at RM0.10 per Warrant;

(iii) the Warrants 2015/2020 may be exercised at any time during the tenure of the Warrants of five (5) years including and commencing from the issue date of the Warrants dated 15 July 2015 and ending on the expiry date to be dated 14 July 2020 ('exercise period'). Any Warrants which have not been exercised by the expiry of the exercise period will lapse and therefore cease to be valid for any purpose; and

(iv) The new shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued and fully paid-up shares, save and except that they shall not be entitled to any rights, allotments, dividends and/or other distributions, the entitlement date of which precedes the date of allotment of the said new shares issued pursuant to the exercise of the Warrants.

As at 31 December 2016, unexercised warrants of the Company are as follows:

Date granted	Exercise price	No. of warrants over ordinary shares	Warrant expiry date
15 July 2015	RM0.10	247,462,066	14 July 2020

No warrants were exercised into ordinary shares during the financial year ended 31 December 2016.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Datu Dr. Michael Dosim AK Lunjew
Daniel Boo Hui Siong
Pang Lee Fung
Tan Kian Meng
Collin Goonting A/L O.S. Goonting
Eric Lim Kheng Joo

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 December 2016 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	------Number of ordinary shares of RM0.10 each------			
	Balance as at 1.1.2016	Bought	Sold	Balance as at 31.12.2016
Shares in the Company				
Direct interests				
Daniel Boo Hui Siong	73,630,443	-	-	73,630,443
Pang Lee Fung	2,666,131	-	-	2,666,131
Tan Kian Meng	576,740	-	-	576,740
Indirect interest				
Daniel Boo Hui Siong*	4,545,646	-	-	4,545,646

	------Number of warrants of RM0.10 each------			
	Balance as at 1.1.2016	Bought	Sold	Balance as at 31.12.2016
Warrants in the Company				
Direct interests				
Daniel Boo Hui Siong	46,815,221	-	-	46,815,221
Pang Lee Fung	1,333,065	-	-	1,333,065
Tan Kian Meng	288,370	-	-	288,370
Indirect interest				
Daniel Boo Hui Siong*	2,272,823	-	-	2,272,823

* Disclosure of interests held by his spouse pursuant to Section 134(12)(c) of the Companies Act, 1965 in Malaysia.

In accordance with Article 96(b) of the Articles of Association of the Company, Daniel Boo Hui Siong and Eric Lim Kheng Joo retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

By virtue of his interest in the ordinary shares of the Company, Daniel Boo Hui Siong is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any beneficial interest in the ordinary shares and warrants of the Company or options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than deemed benefits arising from related party transactions as disclosed in Note 29 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued as disclosed in Note 15 to the financial statements.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for:

(i) reversal of impairment loss on trade receivables of RM1,835,091 of the Group as disclosed in Note 24 to the financial statements;

(ii) impairment loss on product development costs of RM530,728 of the Group as disclosed in Note 24 to the financial statements; and

(iii) net realised and unrealised gain on foreign currency transactions of RM460,056 and RM365,893 respectively of the Group as disclosed in Note 24 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....
Daniel Boo Hui Siong
Director

....
Pang Lee Fung
Director

Kuala Lumpur
14 April 2017

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 49 to 120 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 35 to the financial statements on page 121 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

....
Daniel Boo Hui Siong
Director

....
Pang Lee Fung
Director

Kuala Lumpur
14 April 2017

STATUTORY DECLARATION

I, Daniel Boo Hui Siong, being the Director primarily responsible for the financial management of Idimension Consolidated Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 121 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
14 April 2017)

....
Daniel Boo Hui Siong

Before me:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Idimension Consolidated Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 120.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Impairment assessment of the carrying amounts of goodwill on consolidation, intellectual property rights and cost of investment in a subsidiary

As disclosed in Notes 9 and 10 to the financial statements, goodwill on consolidation and intellectual property rights of the Group with carrying amounts of RM15,393,750 and RM7,916,275 respectively as at 31 December 2016 arose principally from the acquisition of IDB Interactive Sdn. Bhd. ("IDB") in previous financial years. The carrying amount of the cost of investment of the Company in IDB as at 31 December 2016 was RM25,000,000.

To determine if there is any impairment loss required on goodwill on consolidation and intellectual property rights as well as the cost of investment in IDB, management used a Value in Use model to compute the present value of forecasted future cash flows for the Cash Generating Unit ("CGU") of IDB.

We focused on the impairment assessment of the carrying amounts of goodwill on consolidation and intellectual property rights and the cost of investment of the Company in IDB because the determination of whether or not an impairment loss is necessary involved significant judgements by the Directors about the future results and cash flows of the business, including forecast growth in future revenue and operating profit margins as well as determining an appropriate discount factor and long term growth rate.

Key Audit Matters (continued)

1) Impairment assessment of the carrying amounts of goodwill on consolidation, intellectual property rights and cost of investment in a subsidiary (continued)

Audit response

Our audit procedures included the following:

a) challenged the key assumptions used by the management in the cash flow forecast and projections;
b) verified the discount rate for the CGU by comparing to market data and the weighted average cost of capital of the Group;
c) assessed the short-term cash flow projections against recent performance and compared the current period's actual results with previous forecasts to assess the historical accuracy of the forecasts;
d) performed further sensitivity analysis of our own to stress test the key assumptions used by management in the impairment model; and
e) assessed the appropriateness of the related disclosures set out in Notes 6(a), 9 and 10 to the financial statements.

2) Recoverability of trade receivables

As at 31 December 2016, trade receivables of the Group amounted to RM13,998,748 and the associated impairment losses of trade receivables was RM1,877,651. The details of trade receivables and their credit risk have been disclosed in Notes 6(b), 13 and 32(a) to the financial statements.

Management recognises allowances for impairment losses on trade receivables based on specific known facts or circumstances or customers' abilities to pay.

The determination of whether the trade receivables are recoverable involves significant management judgement and inherent subjectivity given uncertainty regarding the ability of the trade receivables to settle their debts. We focused on the audit risk that the trade receivables may be overstated and hence, further impairment losses may be required.

Audit response

Our audit procedures included the following:

a) evaluated the credit process in place to assess and manage the recoverability of trade receivables by the Group;
b) assessed the recoverability of trade receivables by reference to their historical bad debt expense, ageing profiles of the counter parties and past historical repayment trends; and
c) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
(b) We have considered the accounts and the auditors' reports of a subsidiary of which we have not acted as auditors, which is indicated in Note 10 to the financial statements, being accounts that have been included in the consolidated accounts.
(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 35 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Chan Wai Leng
2893/08/17(J)
Chartered Accountant

Kuala Lumpur
14 April 2017

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	12,634,408	11,005,839	11,208,854	9,949,809
Investment property	8	145,634	148,750	-	-
Intangible assets	9	23,325,968	24,667,663	-	-
Investment in subsidiaries	10	-	-	39,372,578	37,372,578
		36,106,010	35,822,252	50,581,432	47,322,387
Current assets					
Inventories	12	173,571	285,582	-	-
Trade and other receivables	13	18,620,810	17,834,939	8,360,467	9,182,055
Current tax assets		920,185	450,186	10,200	7,164
Cash and bank balances	14	8,310,044	7,048,696	683,057	428,192
		28,024,610	25,619,403	9,053,724	9,617,411
TOTAL ASSETS		64,130,620	61,441,655	59,635,156	56,939,798
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	49,492,437	49,492,437	49,492,437	49,492,437
Reserves	16(a)	4,314,730	4,105,732	3,555,817	3,555,817
Accumulated losses	16(b)	(5,652,578)	(6,781,251)	(4,217,517)	(5,056,958)
TOTAL EQUITY		48,154,589	46,816,918	48,830,737	47,991,296
LIABILITIES					
Non-current liabilities					
Borrowings	17	7,195,605	6,377,682	-	-
Trade and other payables	20	-	-	6,701,258	6,281,015
Deferred tax liabilities	11	-	336,252	-	-
		7,195,605	6,713,934	6,701,258	6,281,015
Current liabilities					
Trade and other payables	20	7,939,585	6,971,432	4,103,161	2,667,487
Borrowings	17	826,398	740,985	-	-
Current tax liabilities		14,443	198,386	-	-
		8,780,426	7,910,803	4,103,161	2,667,487
TOTAL LIABILITIES		15,976,031	14,624,737	10,804,419	8,948,502
TOTAL EQUITY AND LIABILITIES		64,130,620	61,441,655	59,635,156	56,939,798

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue	23	56,877,022	56,738,748	2,277,500	1,080,000
Cost of sales		(51,656,153)	(49,240,248)	(788,035)	(1,067,007)
Gross profit		5,220,869	7,498,500	1,489,465	12,993
Other income		156,736	756,224	717	8,122
Administration expenses		(4,106,077)	(11,640,381)	(550,390)	(1,096,345)
Operating profit/(loss)		1,271,528	(3,385,657)	939,792	(1,075,230)
Finance costs		(142,381)	(13,540)	(103,387)	-
Profit/(Loss) before tax	24	1,129,147	(3,399,197)	836,405	(1,075,230)
Tax (expense)/income	25	(474)	(81,716)	3,036	-
Profit/(Loss) for the financial year		1,128,673	(3,480,913)	839,441	(1,075,230)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		208,998	391,056	-	-
Total other comprehensive income, net of tax		208,998	391,056	-	-
Total comprehensive income/(loss)		1,337,671	(3,089,857)	839,441	(1,075,230)
Profit/(Loss) for the financial year attributable to:					
- Owners of the parent		1,128,673	(3,591,223)	839,441	(1,075,230)
- Non-controlling interests		-	110,310	-	-
		1,128,673	(3,480,913)	839,441	(1,075,230)
Total comprehensive income/(loss) for the financial year attributable to:					
- Owners of the parent		1,337,671	(3,200,167)	839,441	(1,075,230)
- Non-controlling interests		-	110,310	-	-
		1,337,671	(3,089,857)	839,441	(1,075,230)
Earnings/(Loss) per ordinary share attributable to owners of the parent (sen)					
- Basic	26	0.23	(0.77)		
- Diluted	26	0.23	(0.71)		

The accompanying notes form an integral part of the financial statements.

Group	Note	Non-distributable Share capital RM	Non-distributable Share premium RM	Non-distributable Redeemable convertible preference shares RM	Non-distributable Exchange transaction reserve RM	Distributable Accumulated losses RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2016		49,492,437	3,555,817	-	549,915	(6,781,251)	46,816,918	-	46,816,918
Profit for the financial year		-	-	-	-	1,128,673	1,128,673	-	1,128,673
Foreign currency translations, net of tax		-	-	-	208,998	-	208,998	-	208,998
Total comprehensive income		-	-	-	208,998	1,128,673	1,337,671	-	1,337,671
Balance as at 31 December 2016		49,492,437	3,555,817	-	758,913	(5,652,578)	48,154,589	-	48,154,589
Balance as at 1 January 2015		42,492,437	3,655,817	-	158,859	(3,379,249)	42,927,864	5,078,911	48,006,775
Loss for the financial year		-	-	-	-	(3,591,223)	(3,591,223)	110,310	(3,480,913)
Foreign currency translations, net of tax		-	-	-	391,056	-	391,056	-	391,056
Total comprehensive loss		-	-	-	391,056	(3,591,223)	(3,200,167)	110,310	(3,089,857)
Transactions with owners									
Issuance of redeemable convertible preference shares	15&16(a)	-	1,980,000	20,000	-	-	2,000,000	-	2,000,000
Issuance of ordinary shares - Conversion of redeemable convertible preference shares	15&16(a)	2,000,000	(1,980,000)	(20,000)	-	-	-	-	-
Shares issuance expenses	16(a)	-	(100,000)	-	-	-	(100,000)	-	(100,000)
Acquisition of equity interest in a subsidiary	27(b)	5,000,000	-	-	-	189,221	5,189,221	(5,189,221)	-
Total transactions with owners		7,000,000	(100,000)	-	-	189,221	7,089,221	(5,189,221)	1,900,000
Balance as at 31 December 2015		49,492,437	3,555,817	-	549,915	(6,781,251)	46,816,918	-	46,816,918

The accompanying notes form an integral part of the financial statements.

Company		Share capital RM	Share premium RM	Redeemable convertible preference shares RM	Accumulated losses RM	Total equity RM
		---------------Non-distributable	---------------	---------------	Distributable	
Balance as at 1 January 2016		49,492,437	3,555,817	-	(5,056,958)	47,991,296
Profit for the financial year		-	-	-	839,441	839,441
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	839,441	839,441
Balance as at 31 December 2016		49,492,437	3,555,817	-	(4,217,517)	48,830,737
Balance as at 1 January 2015		42,492,437	3,655,817	-	(3,981,728)	42,166,526
Loss for the financial year		-	-	-	(1,075,230)	(1,075,230)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(1,075,230)	(1,075,230)
Transactions with owners						
Issuance of redeemable convertible preference shares	15&16(a)	-	1,980,000	20,000	-	2,000,000
Issuance of ordinary shares						
- Conversion of redeemable convertible preference shares	15&16(a)	2,000,000	(1,980,000)	(20,000)	-	-
Shares issuance expenses	16(a)	-	(100,000)	-	-	(100,000)
Acquisition of equity interest in a subsidiary	27(b)	5,000,000	-	-	-	5,000,000
Total transactions with owners		7,000,000	(100,000)	-	-	6,900,000
Balance as at 31 December 2015		49,492,437	3,555,817	-	(5,056,958)	47,991,296

The accompanying notes form an integral part of the financial statements.

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,129,147	(3,399,197)	836,405	(1,075,230)
Adjustments for:					
Amortisation of product development costs	9	856,993	1,005,968	-	-
Depreciation of investment property	8	3,116	3,400	-	-
Depreciation of property, plant and equipment	7	250,325	228,117	5,917	8,190
Product development cost written off	9	8,133	3,486	-	-
Property, plant and equipment written off	7	1	-	-	-
Interest expense		142,381	13,540	103,387	-
Impairment loss on trade receivables	13	-	3,712,742	-	-
Reversal of impairment loss on trade receivables	13	(1,835,091)	-	-	-
Impairment loss on product development cost	9	530,728	-	-	-
Unrealised (gain)/loss on foreign exchange		(365,893)	52,003	-	-
Gain on disposal of property, plant and equipment		(4)	(19,499)	-	-
Dividend income		-	-	(1,557,500)	-
Interest income		(2,127)	(5,383)	(617)	(4,122)
Operating profit/(loss) before changes in working capital		717,709	1,595,177	(612,408)	(1,071,162)
Changes in working capital:					
Inventories		112,011	(145,532)	-	-
Trade and other receivables		872,515	(2,215,864)	(75,345)	(5,373)
Trade and other payables		963,089	(855,858)	(48,237)	45,492
Cash from/(used in) operations		2,665,324	(1,622,077)	(735,990)	(1,031,043)
Tax paid		(1,192,550)	(1,471,717)	(10,200)	(10,200)
Tax refunded		199,002	215,984	10,200	24,000
Net cash from/(used in) operating activities		1,671,776	(2,877,810)	(735,990)	(1,017,243)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		14	42,159	-	-
Purchase of property, plant and equipment	7	(1,332,905)	(360,908)	(1,264,962)	(308,001)
Product development costs incurred	9	(54,159)	(173,725)	-	-
Increased in share capital in subsidiaries	10	-	-	(1,000,000)	-
Dividend received		-	-	1,557,500	-
Interest received		2,127	5,383	617	4,122
Net cash used in investing activities		(1,384,923)	(487,091)	(706,845)	(303,879)

The accompanying notes form an integral part of the financial statements.

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of redeemable convertible preference shares	15	-	2,000,000	-	2,000,000
Shares issuance expenses	16(a)	-	(100,000)	-	(100,000)
Drawndown of term loan		1,050,000	-	-	-
Interest paid		(142,381)	(13,540)	(103,387)	-
Repayment of term loan		(30,000)	-	-	-
Repayment of finance lease liabilities		(112,122)	(104,000)	-	-
Advance from/(Repayment to) subsidiaries		-	-	1,801,087	(1,218,570)
Net cash from financing activities		765,497	1,782,460	1,697,700	681,430
Net increase/(decrease) in cash and cash equivalents		1,052,350	(1,582,441)	254,865	(639,692)
Effects of exchange rate changes on cash and cash equivalents		208,998	391,056	-	-
Cash and cash equivalents at beginning of financial year		7,048,696	8,240,081	428,192	1,067,884
Cash and cash equivalents at end of financial year	14	8,310,044	7,048,696	683,057	428,192

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

iDimension Consolidated Bhd ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Block E2, 5-4, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2016 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 April 2017.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of the management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 49 to 120 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 35 to the financial statements set out on page 121 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions are also eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owner’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.8(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Freehold office shoplots	2%
Computer equipment and software	50%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%
Motor vehicles	20%

Capital work-in-progress consists of office shoplots under construction for intended use as office premises. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to capital work-in-progress under construction until the capital work-in-progress are ready for their intended use. Assets under construction are not depreciated until it is completed and ready for its intended use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and building in which the amount that would initially be recognised for the land element is immaterial, the land and building are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the building is regarded as the economic life of the entire leased asset.

4.6 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of investment properties are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the investment properties are acquired, if applicable.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investment properties (continued)

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investments properties ranges between twenty (20) and fifty (50) years.

At the end of each reporting period, the carrying amount of an item of the investment properties are assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.7 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.8 Intangible assets

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Intangible assets (continued)

(a) Goodwill (continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criterias are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the cost of sales line item.

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Intellectual property rights with indefinite useful life

This refers to the acquisition of the exclusive rights to operate the international licensed online games and other Information and Communication Technologies ('ICT') products in accordance with agreements entered into with the E-Club Interactive Sdn. Bhd.. The amount represents the cost of acquisition of the intellectual property rights. An intellectual property right with an indefinite useful life shall not be amortised. However, the Group is required to assess for impairment annually and whenever there is an indication that the intellectual property rights may be impaired by comparing its recoverable amount with its carrying amount.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Intangible assets (continued)

(b) Other intangible assets (continued)

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Expenditure on development activities of internally developed products is recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate that it is technically feasible to develop the product or processes, adequate resources are available to complete the development and that there is an intention to complete and sell the products or processes to generate future economic benefits.

Product development cost initially recognised as an expense is not recognised as an asset in subsequent periods.

Capitalised product development costs are amortised on a straight line basis over a period of three (3) years. Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in profit or loss as incurred.

Development assets are tested for impairment annually.

4.9 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible assets might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets (continued)

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories consists of purchase price and is determined using the first-in, first-out formula.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Write-down to net realisable value and inventory losses are recognised as an expense when it occurred and only reversal is recognised in the profit or loss in the period in which it occurs.

4.11 Contracts

Where the outcome of a contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of the costs incurred to date to the total estimated costs.

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceeds cost incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(a) Financial assets (continued)

(iv) Available-for-sale financial assets (continued)

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary share capital and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary, in accordance with Note 4.12(d) of the financial statements. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

Dividend on redeemable preference shares are recognised as a liability and accounted for an accrual basis. Other dividends are accounted for in shareholder's equity as an appropriation of retained earnings and recognised as a liability in the period in which they are declared.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(c) Equity (continued)

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

No gain or loss is required in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

Warrant reserve

Proceeds from warrants which are issued at fair value, are credited to a warrants reserve. Warrants reserve is non-distributable, and is transferred to the share premium account upon the exercise of the warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

(d) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity.

Upon conversion of the convertible instrument into equity shares, the amount credited to share capital and share premium is the aggregate of the carrying amounts of the liability components classified within liability and equity at the time of conversion. No gain or loss is recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Held-to-maturity and loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of held-to-maturity investments is directly reduced by the impairment loss whilst the carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factor such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Impairment of financial assets (continued)

(b) Available-for-sale financial assets (continued)

Impairment losses on available-for-sale debt investments are subsequently reversed to profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised to profit or loss in the period in which they are incurred.

4.15 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries on distributions to the Group and Company, and real property gains taxes payable on the disposal of properties, if any.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.16 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Contingent liabilities and contingent assets (continued)

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.18 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.19 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Foreign currencies (continued)

(c) Foreign operations (continued)

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

4.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods or services

Revenue from sale of goods or services is recognised when the risks and rewards of ownership of the goods or services have been transferred. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associate cost or the possible return of goods.

(b) Services

Revenue from customisation, maintenance and other services rendered are recognised on the provision of assessment and development services which is based on accrual basis.

(c) Contracts

Revenue from long term contracts is recognised on the percentage of completion method as disclosed in Note 4.11.

(d) Dividend income

Dividend income is recognised when the shareholder’s right to receive payment is established.

(e) Management fees

Management fees are recognised when services are rendered.

(f) Other income

(i) Rental income

Rental income is accounted for on a straight-line basis over the lease terms unless collectability is in doubt.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Revenue recognition (continued)

(f) Other income (continued)

(ii) Interest income

Interest income is recognised on time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.22 Operating segments

Operating segments are defined as components of the Group that:

(a) Engage in business activities from which it could earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) The combined reported profit of all operating segments that did not report a loss; and

(ii) The combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Operating segments (continued)

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.23 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2016, the Group and the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2016.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10, MFRS 12, MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016

5. ADOPTION OF MFRSs AND AMENDMENT TO MFRSs (continued)

5.1 New MFRSs adopted during the financial year (continued)

Title	Effective Date
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 101*Disclosure Initiative*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to MFRSs 2012 - 2014 Cycle*	1 January 2016

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017

The Standards that are issued but not yet effective up to the date of issuance of financial statements of the Group and of the Company are disclosed below. The Group and the Company intend to adopt these Standards, if applicable, when they become effective.

Title	Effective Date
Amendments to MFRS 12 *Annual Improvements to MFRS Standards 2014 – 2016 Cycle*	1 January 2017
Amendments to MFRS 107 *Disclosure Initiative*	1 January 2017
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	*See MFRS 4* Paragraph 46 and 48
MFRS 16 *Leases*	1 January 2019
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment assessment of the carrying amounts of goodwill on consolidation, intellectual property rights and cost of investment in a subsidiary

To determine if there is any impairment loss required on goodwill on consolidation and intellectual property rights as well as the cost of investment in IDB Interactive Sdn. Bhd. ('IDB'), management used a Value in Use model to compute the present value of forecasted future cash flows for the Cash Generating Unit ('CGU') of IDB.

Management focused on the impairment assessment of the carrying amounts of goodwill on consolidation and intellectual property rights and the cost of investment of the Company in IDB because the determination of whether or not an impairment loss is necessary involved significant judgements by the Directors about the future results and cash flows of the business, including forecast growth in future revenue and operating profit margins as well as determining an appropriate discount factor and long term growth rate. The assumptions used are disclosed in Notes 9 and 10 to the financial statements.

(b) Recoverability of trade receivables

Management recognises allowances for impairment losses on trade receivables based on specific known facts or circumstances or customers' abilities to pay.

The determination of whether the trade receivables are recoverable involves significant management judgement and inherent subjectivity given uncertainty regarding the ability of the trade receivables to settle their debts. Management focused on the risk that the trade receivables may be overstated and hence, further impairment losses may be required.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2016 RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	Balance as at 31.12.2016 RM
Cost						
Freehold office shoplots	890,000	-	-	-	-	890,000
Computer equipment and software	616,624	17,466	(52,648)	(2,450)	21,900	600,892
Furniture and fittings	88,324	6,543	-	-	-	94,867
Office equipment	74,690	-	-	-	(21,900)	52,790
Renovation	82,700	-	-	-	-	82,700
Motor vehicles	814,627	594,167	-	-	-	1,408,794
Capital work-in-progress	9,940,749	1,260,729	-	-	-	11,201,478
	12,507,714	1,878,905	(52,648)	(2,450)	-	14,331,521

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance as at 1.1.2016 RM	Depreciation charge for the financial year RM	Disposals RM	Written off RM	Reclassification RM	Balance as at 31.12.2016 RM
Accumulated depreciation						
Freehold office shoplots	110,462	17,800	-	-	-	128,262
Computer equipment and software	532,470	74,904	(52,638)	(2,449)	17,754	570,041
Furniture and fittings	81,381	2,881	-	-	-	84,262
Office equipment	58,169	4,407	-	-	(17,754)	44,822
Renovation	82,692	-	-	-	-	82,692
Motor vehicles	636,701	150,333	-	-	-	787,034
Capital work-in-progress	-	-	-	-	-	-
	1,501,875	250,325	(52,638)	(2,449)	-	1,697,113

Group	Balance as at 1.1.2015 RM	Additions RM	Disposals RM	Balance as at 31.12.2015 RM
Cost				
Freehold office shoplots	890,000	-	-	890,000
Computer equipment and software	593,272	52,907	(29,555)	616,624
Furniture and fittings	84,654	3,670	-	88,324
Office equipment	68,991	5,699	-	74,690
Renovation	82,700	-	-	82,700
Motor vehicles	899,627	-	(85,000)	814,627
Capital work-in-progress	9,642,117	298,632	-	9,940,749
	12,261,361	360,908	(114,555)	12,507,714

	Balance as at 1.1.2015 RM	Depreciation charge for the financial year RM	Disposals RM	Balance as at 31.12.2015 RM
Accumulated depreciation				
Freehold office shoplots	92,662	17,800	-	110,462
Computer equipment and software	491,367	47,999	(6,896)	532,470
Furniture and fittings	78,996	2,385	-	81,381
Office equipment	46,824	11,345	-	58,169
Renovation	82,158	534	-	82,692
Motor vehicles	573,646	148,054	(84,999)	636,701
Capital work-in-progress	-	-	-	-
	1,365,653	228,117	(91,895)	1,501,875

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance as at 1.1.2016 RM	Additions RM	Reclassification RM	Balance as at 31.12.2016 RM
Cost				
Computer equipment and software	-	-	21,900	21,900
Furniture and fittings	3,670	4,233	-	7,903
Office equipment	27,121	-	(21,900)	5,221
Capital work-in-progress	9,940,749	1,260,729	-	11,201,478
	9,971,540	1,264,962	-	11,236,502

	Balance as at 1.1.2016 RM	Depreciation charge for the financial year RM	Reclassification RM	Balance as at 31.12.2016 RM
Accumulated depreciation				
Computer equipment and software	-	3,783	17,754	21,537
Furniture and fittings	61	1,090	-	1,151
Office equipment	21,670	1,044	(17,754)	4,960
Capital work-in-progress	-	-	-	-
	21,731	5,917	-	27,648

Company	Balance as at 1.1.2015 RM	Additions RM	Balance as at 31.12.2015 RM
Cost			
Furniture and fittings	-	3,670	3,670
Office equipment	21,422	5,699	27,121
Capital work-in-progress	9,642,117	298,632	9,940,749
	9,663,539	308,001	9,971,540

	Balance as at 1.1.2015 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2015 RM
Accumulated depreciation			
Furniture and fittings	-	61	61
Office equipment	13,541	8,129	21,670
Capital work-in-progress	-	-	-
	13,541	8,190	21,731

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Net carrying amount				
Freehold office shoplots	761,738	779,538	-	-
Computer equipment and software	30,851	84,154	363	-
Furniture and fittings	10,605	6,943	6,752	3,609
Office equipment	7,968	16,521	261	5,451
Renovation	8	8	-	-
Motor vehicles	621,760	177,926	-	-
Capital work-in-progress	11,201,478	9,940,749	11,201,478	9,940,749
	12,634,408	11,005,839	11,208,854	9,949,809

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Purchase of property, plant and equipment	1,878,905	360,908	1,264,962	308,001
Financed by finance lease	(546,000)	-	-	-
Cash payments on purchase of property, plant and equipment	1,332,905	360,908	1,264,962	308,001

(b) Asset held under finance lease

	Group	
	2016 RM	2015 RM
Motor vehicles	621,759	177,925

(c) Asset pledged as security to a financial institution

The carrying amount of capital work-in-progress which consists of office shoplots under construction of the Group and of the Company are pledged as security for bank borrowing amounted to RM11,201,478 (2015: RM9,940,749) as disclosed in the Note 18 to the financial statements.

(d) Capitalisation of borrowing costs

The Company bought the office shoplots under construction in financial year 2011 and the certificate of compliance was issued on 26 August 2016.

The net carrying amount of capital work-in-progress which consists of office shoplots under construction of the Group and of the Company includes RM210,729 (2015: RM298,632) of term loan interest capitalised during the financial year. The term loan interest was capitalised at the rate of 4.05% (2015: 4.30%) per annum.

8. INVESTMENT PROPERTY

Group	Balance as at 1.1.2016 RM	Additions RM	Balance as at 31.12.2016 RM
Cost			
Freehold office shoplot	170,000	-	170,000

	Balance as at 1.1.2016 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2016 RM
Accumulated depreciation			
Freehold office shoplot	21,250	3,116	24,366

Group	Balance as at 1.1.2015 RM	Additions RM	Balance as at 31.12.2015 RM
Cost			
Freehold office shoplot	170,000	-	170,000

	Balance as at 1.1.2015 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2015 RM
Accumulated depreciation			
Freehold office shoplot	17,850	3,400	21,250

	Group	
	2016 RM	2015 RM
Net carrying amount		
Freehold office shoplot	145,634	148,750
At fair value		
Freehold office shoplot	320,000	255,744

(a) Investment property comprises of freehold office shoplot that was leased to a third party. The lease period expired on 31 December 2014 and there is no tenant occupying the investment property after that date.

(b) The fair value of the investment property of the Group is categories as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2016				
Freehold office shoplot	-	320,000	-	320,000
2015				
Freehold office shoplot	-	255,744	-	255,744

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2016 and 31 December 2015.

(ii) Investment property at Level 2 fair value was determined by an external and independent property valuer. The fair value is determined by reference to the latest selling prices of similar properties in vicinity locations.

8. INVESTMENT PROPERTY (continued)

(c) Direct operating expenses arising from investment property during the financial year are as follows:

	Group 2016 RM	Group 2015 RM
Generating rental income		
Building insurance	-	-
Maintenance and service charges	-	-
Quit rent and assessment	-	-
	-	-
Non-generating rental income		
Building insurance	177	57
Maintenance and service charges	2,586	2,250
Quit rent and assessment	872	598
	3,635	2,905

9. INTANGIBLE ASSETS

Group	Balance as at 1.1.2016 RM	Additions RM	Written off RM	Balance as at 31.12.2016 RM
Cost				
Goodwill	15,393,750	-	-	15,393,750
Intellectual property rights with indefinite useful life	7,916,275	-	-	7,916,275
Product development costs	4,389,022	54,159	(8,133)	4,435,048
	27,699,047	54,159	(8,133)	27,745,073

	Balance as at 1.1.2016 RM	Amortisation charge for the financial year RM	Impairment loss RM	Balance as at 31.12.2016 RM
Accumulated amortisation				
Goodwill	-	-	-	-
Intellectual property rights with indefinite useful life	-	-	-	-
Product development costs	3,031,384	856,993	530,728	4,419,105
	3,031,384	856,993	530,728	4,419,105

Group	Balance as at 1.1.2015 RM	Additions RM	Written off RM	Balance as at 31.12.2015 RM
Cost				
Goodwill	15,393,750	-	-	15,393,750
Intellectual property rights with indefinite useful life	7,916,275	-	-	7,916,275
Product development costs	4,218,783	173,725	(3,486)	4,389,022
	27,528,808	173,725	(3,486)	27,699,047

9. INTANGIBLE ASSETS (continued)

	Balance as at 1.1.2015 RM	Amortisation charge for the financial year RM	Written off RM	Balance as at 31.12.2015 RM
Accumulated amortisation				
Goodwill	-	-	-	-
Intellectual property rights with indefinite useful life	-	-	-	-
Product development costs	2,025,416	1,005,968	-	3,031,384
	2,025,416	1,005,968	-	3,031,384

	Group 2016 RM	Group 2015 RM
Net carrying amount		
Goodwill	15,393,750	15,393,750
Intellectual property rights with indefinite useful life	7,916,275	7,916,275
Product development costs	15,943	1,357,638
	23,325,968	24,667,663

(a) Goodwill

For the purpose of impairment testing, the recoverable amount of goodwill arising from the acquisition of a subsidiary, IDB Interactive Sdn. Bhd.'s ('IDB') is determined based on its value in use. The value in use is determined by discounting the future cash flows to be generated from the continuing use of the Cash Generating Unit ('CGU') based on financial budgets prepared by management covering a ten (10) year period. The ability to achieve the financial budgets is a key assumption in determining the recoverable amount for the CGU.

(i) The key assumptions used in the value in use calculations are as follows:

- The anticipated average annual revenue growth rates used in the cash flow budgets and plans of the CGU is 10% (2015: 10%) per annum;
- Profit margins are projected based on the historical profit margins achieved for the CGU;
- Expenses are projected at an annual increase of approximately 5% (2015: 5%) per annum; and
- A discount rate of 6.40% (2015: 6.70%) was applied in determining the recoverable amount of the CGU.

Based on these assumptions, the Directors are of the view that no impairment loss is required as the recoverable amount determined is higher than the carrying amount of the CGU.

(ii) Sensitivity to changes in assumptions

The management believes that a reasonable possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(b) Intellectual property rights with indefinite useful life

(i) Intellectual property rights refers to IDB's exclusive right of international online games and other ICT products from E-Club Interactive Sdn. Bhd. in designated territories. License fees have been paid for the exclusive rights to distribute, market and sell certain online gaming products and merchandise in five (5) countries encompassing Indonesia, Vietnam, Philippines, Cambodia and Brunei. The rights is for an initial term of two (2) years and shall thereafter be automatically renewed annually.

9. INTANGIBLE ASSETS (continued)

(b) Intellectual property rights with indefinite useful life (continued)

(ii) For the purpose of impairment testing, the recoverable amount of intellectual property rights with indefinite useful life is determined based on its value in use. The value in use is determined by discounting the future cash flows to be generated from the continuing use of the Cash Generating Unit ('CGU') based on financial budgets prepared by management covering a ten (10) year period. The ability to achieve the financial budgets is a key assumption in determining the recoverable amount for the CGU.

The key assumptions used in the value in use calculations are as follows:

- The anticipated average annual revenue growth rates used in the cash flow budgets and plans of the CGU is 10% (2015: 10%) per annum;
- Profit margins are projected based on the historical profit margins achieved for the CGU;
- Expenses are projected at an annual increase of approximately 5% (2015: 5%) per annum; and
- A discount rate of 6.40% (2015: 6.70%) was applied in determining the recoverable amount of the CGU.

Based on these assumptions, the Directors are of the view that no impairment loss is required as the recoverable amount determined is higher than the carrying amount of the CGU.

(iii) Sensitivity to changes in assumptions

The management believes that a reasonable possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(c) Product development costs

(i) Product development costs comprise salaries of personnel involved in the development and design of products prior to the commencement of commercial production.

(ii) For the purpose of impairmet testing, the recoverable amount of product development costs is determined based on its value in use. The Group has carried out a review of the recoverable amount of its product development costs during the financial year and has recognised impairment losses of RM530,728 on certain product development costs to reduce the carrying amounts of the assets to their recoverable amounts. The impairment loss was included in profit or loss during the financial year.

(d) The staff costs capitalised in product development costs are disclosed in Note 28 to the financial statements.

10. INVESTMENT IN SUBSIDIARIES

	Group	
	2016	2015
	RM	RM
Unquoted shares - At cost	37,372,578	32,372,578
Add : Additions	2,000,000	5,000,000
	39,372,578	37,372,578

10. INVESTMENT IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Effective interest in equity 2016 %	Effective interest in equity 2015 %	Principal activities
Idimension MSC Sdn. Bhd.	Malaysia	100	100	Developing and provision of computer software and maintenance services
Idimension Systems Sdn. Bhd.	Malaysia	100	100	Provision and marketing of software solutions and maintenance services
Idimension MSC Pte. Ltd.*	Republic of Singapore	100	100	Provision and marketing of computer software
OS Solutions Sdn. Bhd.	Malaysia	100	100	Developing and provision of software solutions and maintenance services
Idimension Agrisoft Sdn. Bhd.	Malaysia	100	100	Sales and implementation of computer software solutions for plantation industry and development of such software solutions
IDB Interactive Sdn. Bhd.	Malaysia	100	100	Provision and distribution of broadband contents and online games to telecommunication companies and general consumers

* Subsidiary not audited by BDO.

(b) In the previous financial year, on 19 June 2015, the Company acquired the remaining 20% equity interest comprising 1,000,000 ordinary shares of RM1.00 each in IDB Interactive Sdn. Bhd. ('IDB') from the minority shareholder. The purchase consideration of RM5,000,000 was satisfied via the issuance of 50,000,000 new ordinary shares of RM0.10 each of the Company at an issue price of RM0.10. Arising therefrom, IDB became a wholly-owned subsidiary of the Company.

(c) The subsidiary of the Group that has material non-controlling interests ('NCI') is as follows:

	IDB Interactive Sdn. Bhd. RM
2016	
NCI percentage of ownership interest and voting interest	
Carrying amount of NCI	-
Profit allocated to NCI (RM)	-
2015	
NCI percentage of ownership interest and voting interest	
Carrying amount of NCI	-
Profit allocated to NCI (RM)	110,310

10. INVESTMENT IN SUBSIDIARIES (continued)

(d) During the financial year:

(i) On 15 November 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in Idimension Agrisoft Sdn. Bhd. ('IASB') which was satisfied by the capitalisation of RM1,000,000 owing by IASB to the Company. Consequently, there was no change in the effective equity interest held by the Company in IASB.

(ii) On 30 December 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in a wholly-owned subsidiary, Idimension Systems Sdn. Bhd. ('ISSB'). The total cash consideration paid was RM1,000,000. Consequently, there was no change in the effective equity interest held by the Company in ISSB.

(e) Included in investment in subsidiaries was cost of investment in a subsidiary of RM25,000,000 as at 31 December 2016.

For the purpose of impairment testing, the recoverable amount of the cost of investment in the subsidiary is determined based on its value in use. The value in use is determined by discounting the future cash flows of the Cash Generating Unit ('CGU') over a relevant period.

(i) The key assumptions used in the value in use calculations are as follows:

- The anticipated average annual revenue growth rates used in the cash flow budgets and plans of the CGU is 10% (2015: 10%) per annum;
- Profit margins are projected based on the historical profit margins achieved for the CGU;
- Expenses are projected at an annual increase of approximately 5% (2015: 5%) per annum; and
- A discount rate of 6.40% (2015: 6.70%) was applied in determining the recoverable amount of the CGU.

Based on these assumptions, the Directors are of the view that no impairment loss is required as the recoverable amount determined is higher than the carrying amount of the CGU.

(ii) Sensitivity to changes in assumptions

The management believes that a reasonable possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

11. DEFERRED TAX (ASSETS)/LIABILITIES

(a) The deferred tax (assets)/liabilities of the Group are made up of the following:

	Group	
	2016 RM	2015 RM
Balance as at 1 January	336,252	330,000
Recognised in profit or loss (Note 25)	(336,252)	6,252
Balance as at 31 December	-	336,252
Presented after appropriate offsetting:		
Deferred tax assets	-	-
Deferred tax liabilities	-	336,252
	-	336,252

11. DEFERRED TAX (ASSETS)/LIABILITIES (continued)

(b) The components and movements of deferred tax (assets)/liabilities during the financial year are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Product development costs RM	Total RM
At 1 January 2016	23,690	312,562	336,252
Recognised in profit or loss	(23,690)	(312,562)	(336,252)
At 31 December 2016	-	-	-
At 1 January 2015	29,000	392,000	421,000
Recognised in profit or loss	(5,310)	(79,438)	(84,748)
At 31 December 2015	23,690	312,562	336,252

Deferred tax assets of the Group

	Unabsorbed business losses RM	Total RM
At 1 January 2016	-	-
Recognised in profit or loss	-	-
At 31 December 2016	-	-
At 1 January 2015	(91,000)	(91,000)
Recognised in profit or loss	91,000	91,000
At 31 December 2015	-	-

(c) The unrecognised deferred tax assets are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Property, plant and equipment	(34,238)	(56,084)	(5,174)	(6,491)
Product development costs	(15,943)	(38,263)	-	-
Unabsorbed business losses	1,773,340	2,685,372	1,163,355	611,781
Unutilised capital allowances	60,127	28,036	22,839	18,239
	1,783,286	2,619,061	1,181,020	623,529

The potential deferred tax assets at twenty-four percent 24% (2015: 24%) not recognised in the statements of profit or loss and other comprehensive income of the Group and of the Company were approximately RM158,745 and RM133,798 (2015: RM239,315 and RM248,276) respectively as it is anticipated that the tax effects of such deferrals will not reverse in the foreseeable future.

The deductible temporary differences do not expired under the current tax legislation.

12. INVENTORIES

	Group 2016 RM	Group 2015 RM
At cost:		
Software	173,571	285,582

13. TRADE AND OTHER RECEIVABLES

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Current					
Trade receivables					
Third parties	(a)	13,998,748	12,809,399	-	-
Less: Impairment loss on third parties		(1,877,651)	(3,712,742)	-	-
		12,121,097	9,096,657	-	-
Other receivables					
Amounts owing by subsidiaries	(b)	-	-	5,263,200	6,160,133
Other receivables	(c)	524,170	1,597,789	-	4,902
Amount due from customers	(d)	-	69,530	-	-
Advance billings from suppliers	(i)	1,363,472	999,044	-	-
		1,887,642	2,666,363	5,263,200	6,165,035
Deposits	(j)	4,561,236	5,104,625	3,082,067	3,001,230
Loans and receivables		18,569,975	16,867,645	8,345,267	9,166,265
Prepayments		50,835	967,294	15,200	15,790
		18,620,810	17,834,939	8,360,467	9,182,055

(a) Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. The normal credit terms granted by the Group to the customers ranged from 30 days to 120 days (2015: 30 days to 120 days). Other credit terms are assessed and approved by the management on a case-by case basis.

(b) The amounts owing by subsidiaries are non-trade in nature, unsecured, bear no interest and are repayable on demand.

(c) Included in other receivables of the Group is an amount of RM417,064 (2015: RM1,556,506) owing by a corporate shareholder. The said amount is unsecured, bears no interest and repayable on demand.

13. TRADE AND OTHER RECEIVABLES (continued)

(d) Amount due from customers for contract works is as follows:

	Note	Group 2016 RM	Group 2015 RM
Costs incurred to date		-	2,481,185
Add: Attributable profit to date		-	674,909
		-	3,156,094
Less: Progress billings to date		-	(3,103,365)
		-	52,729
Amount due from customers		-	69,530
Amount due to a customer	20	-	(16,801)
		-	52,729

The costs incurred to date on contract only include the staff costs are disclosed in Note 28 to the financial statements.

(e) The currency exposure profile of trade and other receivables, net of prepayments is as follows:

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Ringgit Malaysia	8,565,579	8,818,332	8,345,267	9,166,265
United States Dollar	9,498,125	7,674,452	-	-
Singapore Dollar	506,271	374,861	-	-
	18,569,975	16,867,645	8,345,267	9,166,265

(f) The ageing analysis of trade receivables of the Group are as follows:

	Group 2016 RM	Group 2015 RM
Neither past due nor impaired	6,249,469	4,793,065
Past due, not impaired		
31 to 60 days	5,379,228	2,388,708
61 to 90 days	5,288	1,191,017
91 to 120 days	-	884
More than 120 days	487,112	722,983
	5,871,628	4,303,592
Past due and impaired	1,877,651	3,712,742
	13,998,748	12,809,399

13. TRADE AND OTHER RECEIVABLES (continued)

(f) The ageing analysis of trade receivables of the Group are as follows (continued):

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As at reporting date, trade receivables of RM5,871,628 (2015: RM4,303,592) of the Group were past due but not impaired. The Directors are of the opinion that the receivables are collectible in view of long term business relationships with the customers and those related to a number of independent customers for whom there is no recent history of default.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

	Group Individually impaired	
	2016 **RM**	**2015** **RM**
Trade receivables, gross	1,877,651	3,997,132
Less: Impairment loss	(1,877,651)	(3,712,742)
	-	284,390

(g) The reconciliation of movement in the impairment loss are as follows:

	Group	
	2016 **RM**	**2015** **RM**
Trade receivables		
At 1 January	3,712,742	-
Charge for the financial year (Note 24)	-	3,712,742
Reversal of impairment loss on trade receivables (Note 24)	(1,835,091)	-
At 31 December	1,877,651	3,712,742

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

13. TRADE AND OTHER RECEIVABLES (continued)

(h) Offsetting of financial assets and liabilities are presented as follows:

	Group		
	Gross amount RM	Balances that are set off RM	Net carrying amount in the statement of financial position RM
2016			
Trade receivables	14,012,104	(13,356)	13,998,748
Trade payables	(2,760,094)	13,356	(2,746,738)
2015			
Trade receivables	12,822,755	(13,356)	12,809,399
Trade payables	(2,192,397)	13,356	(2,179,041)

Certain trade receivables and trade payables were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Advance billings from suppliers are in relation to services not rendered during the financial year and amounted to RM1,363,472 (2015: RM999,044).

(j) Included in deposits of the Group and of the Company are amounts of RM4,400,000 and RM3,000,000 (2015: RM4,600,000 and RM3,000,000) respectively paid to third parties to secure potential projects. In the event that the said third parties fail to secure the projects, the deposits shall be refunded within twelve (12) months interest free.

(k) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

14. CASH AND BANK BALANCES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	8,310,044	7,048,696	683,057	428,192

(a) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Ringgit Malaysia	5,954,509	4,277,597	683,057	428,192
Indonesian Rupiah	-	1,152	-	-
Singapore Dollar	1,232,178	1,970,971	-	-
United States Dollar	1,123,357	798,976	-	-
	8,310,044	7,048,696	683,057	428,192

(b) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

15. SHARE CAPITAL

	Group and Company			
	2016		2015	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.10 each				
Authorised:				
Balance as at 1 January	998,000,000	99,800,000	498,000,000	49,800,000
Created during the year	-	-	500,000,000	50,000,000
Balance as at 31 December	998,000,000	99,800,000	998,000,000	99,800,000
Issued and fully paid:				
Balance as at 1 January	494,924,359	49,492,437	424,924,359	42,492,437
Issued during the financial year				
- Conversion of redeemable convertible preference shares	-	-	20,000,000	2,000,000
- Acquisition of equity interest in a subsidiary	-	-	50,000,000	5,000,000
Balance as at 31 December	494,924,359	49,492,437	494,924,359	49,492,437

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one (1) vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) Redeemable Convertible Preference Shares ('RCPS')

	Group and Company			
	2016		2015	
	Number of shares	RM	Number of shares	RM
RCPS of RM0.01 each				
Authorised:				
Balance as at 1 January/31 December	20,000,000	200,000	20,000,000	200,000
Issued and fully paid:				
Balance as at 1 January	-	-	-	-
Issued during the year	-	-	2,000,000	20,000
Conversion to ordinary shares	-	-	(2,000,000)	(20,000)
Balance as at 31 December	-	-	-	-

The salient features of the RCPS are as follows:

(i) Each RCPS is convertible at any time from the date the investor first becomes shareholder of the Company at a fixed or floating conversion price.

For fixed conversion price, the price is set at 135% of the average of the traded volume weighted average prices ('VWAP') per share for the 45 business days prior to the date of subscription agreement for Tranche 1 RCPS and issue date of first sub-tranche for Tranche 2 RCPS.

For floating conversion price, the price is set at 85% of the average closing prices per share on any three consecutive business days during the 45 business days immediately preceeding the relevant conversion date at the RCPS.

15. SHARE CAPITAL (continued)

(a) Redeemable Convertible Preference Shares ('RCPS') (continued)

The salient features of the RCPS are as follows (continued):

(ii) The RCPS are redeemable at the option of the shareholder in the event that conversion price fall below par value of the ordinary shares of the Company. Any preference shares not convertible will be redeemable on the fifth anniversary of the issue date.

(iii) The preference shares carry a dividend of 2% per annum upon approval of the shareholders of the Company in general meeting. The dividend rights are cumulative.

(iv) The RCPS holders do not carry any right to vote any general meeting of the Company except on resolutions to amend the RCPS holders' rights, to create any new securities, to increase the authorised share capital of RCPS, any action that results in capital deduction, any repurchase of shares, any merger and liquidation, any substantial sales of Company's assets, any amendments to the Company's Memorandum and Articles of Association, or any changes in principal activities of the Company.

(v) The RCPS holders shall be entitle to participate in the distribution of profits or surplus assets on liquidation of the Company equally with other shareholders.

In financial year 2013, the Company proposed the issuance of up to RM20,000,000 2.0% Redeemable Convertible Preference Shares ('RCPS') of RM0.01 each at an issue price of RM1.00 per RCPS and was approved by the shareholders at the Extraordinary General Meeting held on 29 April 2014.

In financial year 2014, the Company issued a total RM18,000,000 RCPS to the RCPS subscriber at an issue price of RM1.00 each. The RM10,000,000 RCPS were fully converted into 148,257,692 ordinary shares in financial year 2014.

In the previous financial year, on 10 February 2015, the Company issued the remaining RM2,000,000 RCPS to the RCPS subscriber at an issue price of RM1.00 each. On even date, the RCPS subscriber converted the RM2,000,000 RCPS into 20,000,000 ordinary shares at a conversion price of RM0.10 each.

In the previous financial year, on 13 February 2015, the Company announced that the proposed RCPS as mentioned above was completed following the listing and quotation of the new 20,000,000 ordinary shares arising from the conversion of the RM2,000,000 RCPS on the ACE Market of Bursa Malaysia Securities Berhad.

In the previous financial year, on 19 June 2015, the Company increased its authorised share capital from RM50,000,000 comprising 498,000,000 ordinary shares of RM0.10 each and 20,000,000 RCPS of RM0.01 each to RM100,000,000 comprising 998,000,000 ordinary shares of RM0.10 each and 20,000,000 RCPS of RM0.01 each.

In the previous financial year, on 19 June 2015, the issued and paid-up share capital of the Company was increased from RM44,492,437 to RM49,492,437 by way of issuance 50,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per share to acquire the remaining 20% equity interest comprising 1,000,000 ordinary share of RM1.00 each in IDB Interactive Sdn. Bhd. ('IDB') from the minority shareholder.

(b) Warrants

In the previous financial year, on 15 July 2015, the Company issued 247,462,066 2015/2020 free Warrants ('the Warrants 2015/2020') on the basis of one (1) free warrant for every two (2) existing ordinary shares held of RM0.10 each. The Warrants are constituted under a Deed Poll dated 25 June 2015 ('Deed Poll'). The Warrants 2015/2020 were listed on ACE Market of Bursa Malaysia Securities Berhad on 22 July 2015.

15. SHARE CAPITAL (continued)

(b) Warrants (continued)

The salient features of the Warrants 2015/2020 are as follows:

(i) the Warrants 2015/2020 entitle its registered holders to subscribe for one (1) new ordinary share of the Company of RM0.10 each at the exercise price during the exercise period;

(ii) the exercise price of each Warrant has been fixed at RM0.10 per Warrant;

(iii) the Warrants 2015/2020 may be exercised at any time during the tenure of the Warrants of five (5) years including and commencing from the issue date of the Warrants dated 15 July 2015 and ending on the expiry date to be dated 14 July 2020 ('exercise period'). Any Warrants which have not been exercised by the expiry of the exercise period will lapse and therefore cease to be valid for any purpose; and

(iv) The new shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued and fully paid-up shares, save and except that they shall not be entitled to any rights, allotments, dividends and/or other distributions, the entitlement date of which precedes the date of allotment of the said new shares issued pursuant to the exercise of the Warrants.

As at 31 December 2016, unexercised warrants of the Company are as follows:

Date granted	Exercise price	No. of warrants over ordinary shares	Warrant expiry date
15 July 2015	RM0.10	247,462,066	14 July 2020

No warrants were exercised into ordinary shares during the financial year ended 31 December 2016.

16. RESERVES/(ACCUMULATED LOSSES)

(a) RESERVES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Share premium				
Balance as at 1 January	3,555,817	3,655,817	3,555,817	3,655,817
Ordinary shares				
Issued during the financial year:				
- Acquisition of a subsidiary	-	-	-	-
RCPS				
- Issued during the financial year	-	1,980,000	-	1,980,000
- Conversion to ordinary shares	-	(1,980,000)	-	(1,980,000)
Shares issuance expenses	-	(100,000)	-	(100,000)
Balance as at 31 December	3,555,817	3,555,817	3,555,817	3,555,817
Exchange translation reserve	758,913	549,915	-	-
	4,314,730	4,105,732	3,555,817	3,555,817

(i) Share premium

Share premium represents the excess of the consideration received over the nominal value of shares issued by the Company. It is not to be distributed by way of cash dividends and its utilisation shall be in the manner as set out in Section 60 (3) of the Companies Act, 1965.

16. RESERVES/(ACCUMULATED LOSSES) (continued)

(a) RESERVES (continued)

(ii) Exchange translation reserve

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of a foreign subsidiary whose functional currency is different from that of the Group's presentation currency. This reserve is not available for distribution as dividend.

(b) ACCUMULATED LOSSES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Balance as at 31 December	(5,652,578)	(6,781,251)	(4,217,517)	(5,056,958)

17. BORROWINGS

	Note	Group 2016 RM	Group 2015 RM
Current liabilities			
Term loan (secured)	18	718,200	668,985
Finance lease liabilities	19	108,198	72,000
		826,398	740,985
Non-current liabilities			
Term loan (secured)	18	6,701,258	6,281,015
Finance lease liabilities	19	494,347	96,667
		7,195,605	6,377,682
		8,022,003	7,118,667
Total borrowings			
Term loan (secured)		7,419,458	6,950,000
Finance lease liabilities		602,545	168,667
		8,022,003	7,118,667

(a) The borrowings are repayable over the following periods:

	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
Group							
2016							
Term loan	7,419,458	718,200	718,200	718,200	718,200	718,200	3,828,458
Finance lease liabilities	602,545	108,198	133,530	360,817	-	-	-
2015							
Term loan	6,950,000	668,985	729,802	729,802	729,802	729,802	3,361,807
Finance lease liabilities	168,667	72,000	40,000	40,000	16,667	-	-

17. BORROWINGS (continued)

(b) The borrowings are denominated in Ringgit Malaysia ('RM').

(c) Information on financial risks of borrowings is disclosed in Note 32 to the financial statements.

18. TERM LOAN (SECURED)

	Group 2016 RM	Group 2015 RM
Repayable as follows:		
Current liabilities		
- not later than one (1) year	718,200	668,985
Non-current liabilities		
- later than one (1) year but not later than five (5) years	2,872,800	2,919,208
- more than five (5) years	3,828,458	3,361,807
	6,701,258	6,281,015
	7,419,458	6,950,000

(a) The term loan of the Group is secured by means of the following:

(i) Facility agreement for RM8,000,000;
(ii) Purchase undertaking by a subsidiary;
(iii) Deed of trust made between the Company and a subsidiary;
(iv) Deed of assignment over the office shoplots under construction of the Company as disclosed in the Note 7(c) to the financial statements;
(v) Power of attorney by the Company; and
(vi) Corporate guarantee by the Company.

(b) The effective interest of the term loan is 4.05% (2015: 4.30%) per annum and is repayable by one hundred and eighty (180) equal monthly installments over fifteen (15) years.

(c) Information on financial risks of term loan is disclosed in Note 32 to the financial statements.

19. FINANCE LEASE LIABILITIES

	Group 2016 RM	Group 2015 RM
Minimum finance lease payments:		
- not later than one (1) year	149,904	81,540
- later than one (1) year but not later than five (5) years	512,081	110,055
Total minimum finance lease payments	661,985	191,595
Less: Future interest charges	(59,440)	(22,928)
Present value of finance lease payments	602,545	168,667
Present value of finance lease liabilities		
- not later than one (1) year	108,198	72,000
- later than one (1) year but not later than five (5) years	494,347	96,667
	602,545	168,667

19. FINANCE LEASE LIABILITIES (continued)

(a) The effective interest of the finance lease liabilities ranges from 5.23% to 8.31% (2015: 4.46% to 5.23%) per annum.

(b) The Group had finance lease for certain motor vehicles. The agreements were non-cancellable and did not contain any further restrictions.

(c) Information on financial risks of finance lease liabilities is disclosed in Note 32 to the financial statements.

20. TRADE AND OTHER PAYABLES

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Non-current					
Other payables					
Amount owing to a subsidiary	(b)	-	-	6,701,258	6,281,015
Current					
Trade payables					
Third parties	(a)	2,746,738	2,179,041	-	-
Other payables					
Amount owing to a subsidiary	(c)	-	-	3,877,642	2,393,731
Amount due to a customer	13(d)	-	16,801	-	-
Other payables		2,692,237	2,470,568	118,916	26,250
Accruals		965,280	1,351,386	106,603	247,506
Deposits received		22,500	16,500	-	-
Advance billings to customers	(f)	1,512,830	937,136	-	-
		5,192,847	4,792,391	4,103,161	2,667,487
		7,939,585	6,971,432	4,103,161	2,667,487
Total trade and other payables		7,939,585	6,971,432	10,804,419	8,948,502

(a) The trade payables of the Group are non-interest bearing and the normal credit terms granted by the trade payables to the Group ranged from 30 to 90 days (2015: 30 to 90 days).

(b) The non-current amount owing to a subsidiary of RM6,701,258 (2015: RM6,281,015) represents a loan, which is unsecured, bears interest at rate of 4.05% (2015: 4.30%) per annum and is repayable by one hundred and eighty (180) equal monthly installments over fifteen (15) years.

(c) (i) Included in amount owing to a subsidiary in other payables is the current portion of RM718,200 (2015: RM668,985) of the above mentioned loan in Note 20(b), which is unsecured and bears interest at rate of 4.05% (2015: 4.30%) per annum.

(ii) The remaining amount owing to a subsidiary represents advances and payments on behalf, which are unsecured and interest-free.

(d) The currency exposure profile of trade and other payables is as follows:

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Ringgit Malaysia	6,040,485	6,220,027	10,804,419	8,948,502
United States Dollar	1,311,916	584,790	-	-
Singapore Dollar	587,184	166,615	-	-
	7,939,585	6,971,432	10,804,419	8,948,502

20. TRADE AND OTHER PAYABLES (continued)

(e) Included in other payables of the Group is an amount of RM1,615,720 (2015: RM1,615,720) owing to a Director of a subsidiary. The said amount is unsecured, bears no interest and is repayable on demand.

(f) Advance billings to customers are in relation to services not rendered during the financial year amounting to RM1,512,830 (2015: RM937,136).

(g) Information on financial risks of trade and other payables is disclosed in Note 32 to the financial statements.

21. COMMITMENTS

(a) Operating lease commitments

The group as lessee

The future minimum lease payments payable under non-cancellable operating lease commitment is:

	Group	
	2016 RM	2015 RM
Future minimum lease payments payable:		
Not later than one year (1)	45,323	70,942
Later than one (1) year but not later than five (5) years	-	-
	45,323	70,942

Operating lease commitment represents rental payables for rents of subsidiaries' office premises and staff accommodation. Leases are negotiated for a term of one (1) year (2015: 1 year).

(b) Capital commitment

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Authorised and contracted for:				
- Office shoplots	-	1,050,000	-	1,050,000

22. CONTINGENT LIABILITY

	Company	
	2016 RM	2015 RM
Unsecured:		
Corporate guarantee given to a financial institution for credit facility granted to a subsidiary		
- Limit	8,000,000	8,000,000
- Utilised	7,419,458	6,950,000

The Directors are of the view that the chances of the subsidiary defaulting on repayment and the financial institution calling upon the corporate guarantee are remote. Accordingly, the fair value of the above corporate guarantee given to the subsidiary for banking facilities is negligible.

23. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Sales of products	1,626,402	4,627,296	-	-
Maintenance and other service rendered	9,716,084	9,726,432	-	-
Contract revenue	16,801	75,329	-	-
Online games	45,517,735	42,309,691	-	-
Dividend income	-	-	1,557,500	-
Management fees	-	-	720,000	1,080,000
	56,877,022	56,738,748	2,277,500	1,080,000

24. PROFIT/(LOSS) BEFORE TAX

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remuneration					
- Statutory audit		127,377	122,282	32,500	28,000
- Others		8,000	8,000	8,000	8,000
Amortisation of product development costs	9	856,993	1,005,968	-	-
Depreciation of investment property	8	3,116	3,400	-	-
Depreciation of property, plant and equipment	7	250,325	228,117	5,917	8,190
Property, plant and equipment written off	7	1	-	-	-
Product development cost written off	9	8,133	3,486	-	-
Directors' remuneration					
- Fees		183,000	228,000	183,000	228,000
- Other emoluments		1,227,506	1,460,999	286,453	467,426
Impairment loss on trade receivables	13	-	3,712,742	-	-
Impairment loss on product development cost	9	530,728	-	-	-
Interest expenses					
- Term loan		103,387	-	103,387	-
- Finance lease		38,994	13,540	-	-
Net loss on foreign exchange					
- Unrealised		-	52,003	-	-
Operating lease rental on buildings		139,133	169,665	-	2,100
And crediting:					
Reversal of impairment loss on trade receivables	13	(1,835,091)	-	-	-
Gain on disposal of property, plant and equipment		(4)	(19,499)	-	-
Net gain on foreign exchange					
- Realised		(460,056)	(607,014)	-	-
- Unrealised		(365,893)	-	-	-
Interest income		(2,127)	(5,383)	(617)	(4,122)
Dividend income		-	-	(1,557,500)	-
Rental income		(18,000)	(4,628)	-	-

25. TAX EXPENSE/(INCOME)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current year's tax expense based on profit/(loss) for the financial year:				
Malaysia				
- current year provision	226,567	15,210	-	-
- under/(over)-provision in prior years	107,279	59,809	(3,036)	-
Overseas				
- current year provision	2,880	445	-	-
	336,726	75,464	(3,036)	-
Deferred tax (Note 11)				
Effect of changes in tax rate	-	14,010	-	-
Origination and reversal of temporary differences	(318,535)	(116,314)	-	-
Under/(Over)-provision in prior years	(17,717)	108,556	-	-
	(336,252)	6,252	-	-
	474	81,716	(3,036)	-

The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2015: 25%) of the estimated taxable profits for the fiscal year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The reconciliations of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective tax rates of the Group and of the Company are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit/(Loss) before tax	1,129,147	(3,399,197)	836,405	(1,075,230)
Taxation at statutory tax rate of 24% (2015: 25%)	270,995	(849,799)	200,738	(268,808)
Tax effects in respect of:				
Income not subject to tax	(555,526)	(693,241)	(386,794)	-
Deferred tax assets not recognised	158,745	239,315	133,798	248,276
Expenses not deductible for tax purposes	491,610	1,362,154	52,258	20,532
Recognition of previously unrecognised deferred tax liabilities	-	21,092	-	-
Utilisation of previously unrecognised deferred tax assets	(359,331)	-	-	-
Different tax rate of overseas subsidiary	(5,764)	(1,203)	-	-
Effect of changes in tax rate	-	14,010	-	-
Corporate tax exemption and rebates	(11,119)	(2,106)	-	-
Tax savings from pioneer status	(78,698)	(176,871)	-	-
Under/(Over)-provision in prior years:				
- tax expense	107,279	59,809	(3,036)	-
- deferred tax	(17,717)	108,556	-	-
Effective tax expense	474	81,716	(3,036)	-

25. TAX EXPENSE/(INCOME) (continued)

Tax savings of the Group are as follows:

	Group 2016 RM	2015 RM
Arising from utilisation of previously unrecognised deferred tax assets	(359,331)	-

The Group and the Company have unabsorbed business losses and unutilised capital allowances which can be carried forward to offset against future taxable profit amounting to approximately RM1,773,340 and RM60,127 (2015: RM2,685,372 and RM28,036) and RM1,163,355 and RM22,839 (2015: RM611,781 and RM18,239) respectively.

On 15 December 2005 and 29 June 2006, two of the subsidiaries namely, Idimension MSC Sdn. Bhd. and OS Solutions Sdn. Bhd. respectively have been awarded the Multimedia Super Corridor ("MSC") status under which the income derived from their prescribed activities are exempted from Malaysia income tax. The pioneer status expired on 14 December 2010 and 28 June 2011 for Idimension MSC Sdn. Bhd. and OS Solution Sdn. Bhd. respectively. However, Idimension MSC Sdn. Bhd. and OS Solutions Sdn. Bhd. have successfully obtained the extension approval from Multimedia Development Corporation Sdn. Bhd. ("MDeC") for another 5 years of pioneer period from 15 December 2010 to 14 December 2015 and 29 June 2011 to 28 June 2016 respectively.

On 15 April 2013, another subsidiary company, Idimension Agrisoft Sdn. Bhd. has been awarded the Multimedia Super Corridor ("MSC") status under which the income derived from its prescribed activities are exempted from Malaysia income tax. The pioneer status will expire on 14 April 2018.

Tax on each component of other comprehensive income is as follows:

	Before tax RM	Group Tax effect RM	After tax RM
Items that may be reclassified subsequently to profit or loss			
2016			
Foreign currency translation	208,998	-	208,998
2015			
Foreign currency translation	391,056	-	391,056

26. EARNINGS/(LOSS) PER ORDINARY SHARE

<u>Basic earnings/(loss) per ordinary share</u>

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2016	2015
Profit/(Loss) attributable to equity holders of the parent (RM)	1,128,673	(3,591,223)
Weighted average number of ordinary shares in issue (unit)	494,924,359	424,924,359
Effect of ordinary shares issued during the financial year (unit)	-	44,301,370
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	494,924,359	469,225,729
Basic earnings/(loss) per ordinary share (sen)	0.23	(0.77)

26. EARNINGS/(LOSS) PER ORDINARY SHARE (continued)

Diluted earnings/(loss) per ordinary share

Diluted earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2016	2015
Profit/(Loss) attributable to equity holders of the parent (RM)	1,128,673	(3,591,223)
Weighted average number of ordinary shares in issue (unit)	494,924,359	469,225,729
Effect of dilution in exercise of warrants (unit)	-	39,757,429
Adjusted weighted average number of ordinary shares applicable to diluted earnings/(loss) per ordinary share (unit)	494,924,359	508,983,158
Diluted earnings/(loss) per ordinary share (sen)	0.23#	(0.71)

\# The diluted earnings per share is same as the basic earnings per share because the effect of the assumed conversion of warrants outstanding will be anti-dilutive and the Company has no other dilutive potential ordinary share in issue as at the end of the reporting period.

27. ACQUISITION OF SUBSIDIARIES

(a) During the financial year:

(i) On 15 November 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in Idimension Agrisoft Sdn. Bhd. ('IASB') which was satisfied by the capitalisation of RM1,000,000 owing by IASB to the Company. Consequently, there was no change in the effective equity interest held by the Company in IASB.

(ii) On 30 December 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in a wholly-owned subsidiary, Idimension Systems Sdn. Bhd. ('ISSB'). The total cash consideration paid was RM1,000,000. Consequently, there was no change in the effective equity interest held by the Company in ISSB.

27. ACQUISITION OF SUBSIDIARIES (continued)

(b) In the previous financial year, on 19 June 2015, the Company acquired the remaining 20% equity interest comprising 1,000,000 ordinary share of RM1.00 each in IDB Interactive Sdn. Bhd. ('IDB') from the minority shareholder. The purchase consideration of RM5,000,000 was satisfied via the issuance of 50,000,000 new ordinary shares of RM0.10 each of the Company at an issue price of RM0.10. Arising therefrom, IDB became a wholly-owned subsidiary of the Company.

The fair value of the identifiable assets and liabilities of IDB as at the date of accretion were as follows:

	2015 RM
Property, plant and equipment	88,932
Intangible assets	7,916,275
Trade and other receivables	11,331,814
Cash and bank balances	77,246
Trade and other payables	(8,446,186)
Tax payables	(759,860)
Deferred tax liabilities	(19,000)
Total identifiable net assets	10,189,221
Less: Fair value of 80% equity interest held previously as subsidiary	(5,000,000)
Total identifiable net assets acquired (at 20%)	5,189,221
Purchase consideration	(5,000,000)
	189,221

The acquisition had no material impact to the financial statements of the Group.

28. EMPLOYEE BENEFITS EXPENSE

The total staff costs incurred during the financial year are analysed as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Product development costs	-	164,348	-	-
Contract expenses	-	397,565	-	-
Direct charged to profit or loss	5,060,286	5,694,966	819,258	1,074,276
	5,060,286	6,256,879	819,258	1,074,276

Included in staff costs are defined contribution plan as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Staff costs:				
- Directors	81,920	116,861	28,324	47,900
- Other staff	288,227	354,464	30,592	34,920
	370,147	471,325	58,916	82,820

28. EMPLOYEE BENEFITS EXPENSE (continued)

Included in staff costs are Directors' remuneration as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive Directors:				
Existing Directors of the Company				
Fee	81,000	150,000	81,000	150,000
Salaries and other emoluments	1,188,053	1,273,092	274,462	350,340
Social contribution plan	2,224	2,480	534	620
Bonus	(54,591)	48,766	(26,767)	48,766
Defined contribution plan	81,920	116,861	28,324	47,900
	1,298,606	1,591,199	357,553	597,626
Estimated money value of benefits-in-kind	6,444	176,525	-	9,020
Total Executive Directors' remuneration	1,298,606	1,591,199	357,553	597,626
Non-executive Directors:				
Existing Directors of the Company				
Fee	102,000	78,000	102,000	78,000
Other emoluments	9,900	19,800	9,900	19,800
	111,900	97,800	111,900	97,800
Total Non-executive Directors' remuneration	111,900	97,800	111,900	97,800
Total	1,410,506	1,688,999	469,453	695,426

29. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct subsidiaries.

Related parties of the Group include:

(i) Direct subsidiaries as disclosed in Note 10 to the financial statements;

(ii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

(b) Significant related party transactions

	Company	
	2016 RM	2015 RM
Interest paid/payable	(314,026)	(298,632)
Management fees received/receivable	720,000	1,080,000
Dividend income received / receivabele	1,557,500	-
Rental paid/payable	-	(12,083)

(c) The Group and the Company have no other members of key management personnel apart from the Board of Directors. The Directors' remuneration are as disclosed in Note 28 to the financial statements.

(d) The outstanding balances arising from related party transactions as at the reporting date were disclosed in Notes 13 and 20 to the financial statements.

(e) The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties.

30. OPERATING SEGMENT

(a) Business segment

For management purposes, the Group is organised into business units based on their products and services which comprise the following:

(i) IT Business

- Develop some of the software solution in-house (Own proprietary manufacturing software solution) and customised solutions that combine in-house developed modules with 3rd party software including consulting services, systems design, systems configuration, hardware, software and network installation and commissioning.
- Apart of providing end-to-end solutions, also undertake software maintenance, where provide technical support for the software system and implementation. Maintenance commonly includes fixing problems associated with software systems, providing ad-hoc report, simple enhancements, installing software upgrades and providing user training.

30. OPERATING SEGMENT (continued)

(a) Business segment (continued)

For management purposes, the Group is organised into business units based on their products and services which comprise the following (continued):

(ii) Online games - The online games segment is a new operating segment of the group during the financial year, which provide and distribute of online games and other ICT products to telecommunication companies and general consumers.

Management monitors the operating results to its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2016	**IT business RM**	**Online games RM**	**Elimination RM**	**Total RM**
Revenue				
External revenue	11,359,287	45,517,735	-	56,877,022
Inter-segment revenue	5,490,802	-	(5,490,802)	-
Total segment revenue	16,850,089	45,517,735	(5,490,802)	56,877,022
Result				
Interest income				2,127
Finance costs				(142,381)
Depreciation and amortisation				(1,110,434)
Impairment of development cost				(530,728)
Tax expense				(474)
Other non-cash income (ii)				2,192,854
Segment profit (iii)				1,268,927
Assets				
Additions to non-current assets (iv)				1,933,064
Segments assets (v)				63,210,435
Liabilities				
Segments liabilities (vi)				7,939,585

2015				
Revenue				
External revenue	14,429,057	42,309,691	-	56,738,748
Inter-segment revenue	6,644,473	-	(6,644,473)	-
Total segment revenue	21,073,530	42,309,691	(6,644,473)	56,738,748
Result				
Interest income				5,383
Finance costs				(13,540)
Depreciation and amortisation				(1,237,485)
Tax expense				(81,716)
Other non-cash expenses (ii)				(3,748,732)
Segment loss (iii)				(3,472,756)

30. OPERATING SEGMENT (continued)

(a) Business segment (continued)

2015	IT business RM	Online games RM	Elimination RM	Total RM
Assets				
Additions to non-current assets (iv)				534,633
Segments assets (v)				60,991,469
Liabilities				
Segments liabilities (vi)				6,971,432

Segment revenue, expenses and results include transfer between segments. The prices charged on inter segment transactions are on negotiated basis. These transactions are eliminated on consolidated on consolidation.

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash (income)/expenses consist of the following items as presented in the respective notes to the consolidated financial statements:

	Group 2016 RM	Group 2015 RM
Product development cost written off	8,133	3,486
Property, plant and equipment written off	1	-
Gain on disposal of property, plant and equipment	(4)	(19,499)
Impairment loss on trade receivables	-	3,712,742
Reversal of impairment loss on trade receivables	(1,835,091)	-
Unrealised (gain)/loss of foreign exchange	(365,893)	52,003
	(2,192,854)	3,748,732

(iii) The following items are added to/(deducted from) segment loss to arrive at 'Profit/(Loss) after tax' presented in the consolidated statement of profit or loss and other comprehensive income:

	Group 2016 RM	Group 2015 RM
Segment profit/(loss)	1,268,927	(3,472,756)
Interest income	2,127	5,383
Finance costs	(142,381)	(13,540)
Profit/(Loss) after tax	1,128,673	(3,480,913)

(iv) Additions to non-current assets consist of:

	Group 2016 RM	Group 2015 RM
Property, plant and equipment	1,878,905	360,908
Intangible assets	54,159	173,725
	1,933,064	534,633

30. OPERATING SEGMENT (continued)

(a) Business segment (continued)

(v) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position.

	Group 2016 RM	Group 2015 RM
Segment assets	63,210,435	60,991,469
Tax assets	920,185	450,186
Total assets	64,130,620	61,441,655

(vi) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	Group 2016 RM	Group 2015 RM
Segment liabilities	7,939,585	6,971,432
Finance lease liabilities	602,545	168,667
Term loan	7,419,458	6,950,000
Tax liabilities	14,443	534,638
Total liabilities	15,976,031	14,624,737

(vii) Unallocated assets and liabilities were jointly used by two (2) (2015: two (2)) products segments.

(b) Geographical information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

Group	Revenue RM	Non-current assets RM
2016		
China	1,172,197	-
Indonesia	26,700,474	-
Singapore	4,681,528	-
Malaysia*	24,218,005	36,106,010
Others#	104,818	-
	56,877,022	36,106,010
2015		
China	1,181,171	-
Indonesia	3,484,764	-
Philippines	4,706,906	-
Singapore	4,346,976	-
Malaysia*	42,269,409	35,822,252
Others#	749,522	-
	56,738,748	35,822,252

* Company's home country
# Less than 5% for each individual country

30. OPERATING SEGMENT (continued)

(b) Geographical information (continued)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Group 2016 RM	Group 2015 RM
Property, plant and equipment	12,634,408	11,005,839
Investment property	145,634	148,750
Intangible assets	23,325,968	24,667,663
	36,106,010	35,822,252

(c) Information about major customer

The Group has revenue from a single external customer which represent 47% (2015: 60%) of the Group's revenue, arising from sales by the online games, software solutions and software system maintenance segment.

31. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains adequate working capital and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions, including the interest rate movements. To maintain and adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders, issue new shares or adjust bank borrowings level. No changes were made in the objectives, policies or processes since the last financial year.

The Group manages the mixture of equity and borrowings to ensure that the gearing ratio of the Group does not exceed 2.0 to comply with the covenants of loan facility taken by a subsidiary. The borrowings include term loan and finance lease liabilities while owners' equity refers to the equity attributable to the owners of the Group.

Owners' equity and gearing ratio at the end of the financial year 2016 and 2015 are reported as below:

	Group 2016 RM	Group 2015 RM
Borrowings (Note 17)	8,022,003	7,118,667
Trade and other payables (Note 20)	7,939,585	6,971,432
Total liabilities	15,961,588	14,090,099
Less: Cash and bank balances (Note 14)	(8,310,044)	(7,048,696)
Net debt	7,651,544	7,041,403
Total capital	48,154,589	46,816,918
Net debt	7,651,544	7,041,403
Equity	55,806,133	53,858,321
Gearing ratio	0.14	0.13

31. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement during the financial year ended 31 December 2016.

(b) Categories of financial instruments

Group 2016	**Loans and receivables RM**	**Total RM**
Financial assets		
Trade and other receivables, net of prepayments	18,569,975	18,569,975
Cash and bank balances	8,310,044	8,310,044
	26,880,019	26,880,019

	Other financial liabilities RM	**Total RM**
Financial liabilities		
Borrowings	8,022,003	8,022,003
Trade and other payables	7,939,585	7,939,585
	15,961,588	15,961,588

Group 2015	**Loans and receivables RM**	**Total RM**
Financial assets		
Trade and other receivables, net of prepayments	16,867,645	16,867,645
Cash and bank balances	7,048,696	7,048,696
	23,916,341	23,916,341

	Other financial liabilities RM	**Total RM**
Financial liabilities		
Borrowings	7,118,667	7,118,667
Trade and other payables	6,971,432	6,971,432
	14,090,099	14,090,099

Company 2016	**Loans and receivables RM**	**Total RM**
Financial assets		
Trade and other receivables, net of prepayments	8,345,267	8,345,267
Cash and bank balances	683,057	683,057
	9,028,324	9,028,324

31. FINANCIAL INSTRUMENTS (continued)

(b) Categories of financial instruments (continued)

	Other financial liabilities RM	Total RM
Financial liabilities		
Trade and other payables	10,804,419	10,804,419

Company 2015	Loans and receivables RM	Total RM
Financial assets		
Trade and other receivables, net of prepayments	9,166,265	9,166,265
Cash and bank balances	428,192	428,192
	9,594,457	9,594,457

	Other financial liabilities RM	Total RM
Financial liabilities		
Trade and other payables	8,948,502	8,948,502

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, amounts owing by subsidiaries, trade and other payables, current portion of amount owing to a subsidiary and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Finance lease liabilities

The fair value of these financial instruments is estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

(iii) Long-term borrowing and non-current amount owing to a subsidiary

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised cost and the carrying amounts approximate fair value.

31. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

(iv) Financial guarantee

The Company provides corporate guarantee to a financial institution for banking facilities granted to a subsidiary. The fair value of such financial corporate guarantees is negligible as the probability of the subsidiary defaulting on the financial facilities is remote.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2016										
Financial liabilities										
Other financial liabilities										
- Finance lease liabilities	-	-	-	-	-	569,498	-	569,498	569,498	602,545
2015										
Financial liabilities										
Other financial liabilities										
- Finance lease liabilities	-	-	-	-	-	153,404	-	153,404	153,404	168,667

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses on its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the Group and the Company of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of trade and other receivables and amounts owing by subsidiaries in the statements of financial position.

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high credit rating.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the management.

<u>Receivables</u>

With a credit policy in place to ensure that credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacted with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Receivables (continued)

Concentration of credit risk

The credit risk concentration profile by geographical on trade receivables of the Group as at the reporting date is as follows:

	Group	
	2016	**2015**
	RM	**RM**
By country:		
China	186,096	182,065
Indonesia	8,803,509	3,444,339
Malaysia	2,474,646	3,721,893
Philippines	12,765	1,360,378
Singapore	637,423	186,186
Vietnam	1,370	112,368
Others	5,288	89,428
	12,121,097	9,096,657
By industry sector:		
IT business	2,898,128	1,844,063
Online games	9,222,969	7,252,594
	12,121,097	9,096,657

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except that 76% (2015: 73%) of total Group's trade receivables as at reporting date were due from two (2) (2015: three (3)) major customers. The balance of trade receivables consists of a large number of customers in various industries and geographical areas.

The Company has no significant concentration of credit risks except for the amounts owing by subsidiaries constituting 63% (2015: 67%) of total receivables of the Company.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 13 to the financial statements. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 to the financial statements.

Financial guarantee/Corporate guarantee

The maximum exposure to credit risk amounts to RM7,419,458 (2015: RM6,950,000) representing the outstanding banking facility of a subsidiary as at the end of the reporting date.

The Company provides unsecured financial guarantee to a financial institution in respect of banking facility granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting date, there was no indication that the subsidiary would default on repayment.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Intercompany balances

The Company provides unsecured loans and advances to subsidiaries and monitors the results of the subsidiaries regularly.

As at the end of the reporting date, there was no indication that the carrying amount of loans and advances to the subsidiaries are not recoverable.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company would be unable to meet its debt obligations due to a shortage of funds. Liquidity risk arises principally from its payables, borrowings and finance lease liabilities.

In managing its exposure to liquidity risk arising principally from its various payables and borrowings, the Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various financial institutions.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as per below:

	<---------------- Maturity		----------------->
Group 2016	**Total contractual cash flows RM**	**Less than 1 year RM**	**2 to 5 years RM**	**More than 5 years RM**
Non-derivative financial liabilities				
Secured:				
Finance lease liabilities	661,985	149,904	512,081	-
Term loan	8,977,906	1,004,531	3,727,803	4,245,572
	9,639,891	1,154,435	4,239,884	4,245,572
Unsecured:				
Trade payables	2,746,738	2,746,738	-	-
Other payables	5,192,847	5,192,847	-	-
	7,939,585	7,939,585	-	-
Total undiscounted financial liabilities	17,579,476	9,094,020	4,239,884	4,245,572

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

The summary of the maturity profile based on contractual undiscounted repayment obligations are as per below (continued):

Group 2015	**Total contractual cash flows RM**	**<---------------- Maturity ----------------> Less than 1 year RM**	**2 to 5 years RM**	**More than 5 years RM**
Non-derivative financial liabilities				
Secured:				
Finance lease liabilities	191,595	81,540	110,055	-
Term loan	9,134,850	955,592	3,778,743	4,400,515
	9,326,445	1,037,132	3,888,798	4,400,515
Unsecured:				
Trade payables	2,179,041	2,179,041	-	-
Other payables	4,792,391	4,792,391	-	-
	6,971,432	6,971,432	-	-
Total undiscounted financial liabilities	16,297,877	8,008,564	3,888,798	4,400,515

Company 2016				
Non-derivative financial liabilities				
Unsecured:				
Other payables	225,519	225,519	-	-
Amount owing to a subsidiary	12,137,347	4,163,972	3,727,803	4,245,572
Total undiscounted financial liabilities	12,362,866	4,389,491	3,727,803	4,245,572
2015				
Non-derivative financial liabilities				
Unsecured:				
Other payables	273,756	273,756	-	-
Amount owing to a subsidiary	10,859,596	2,680,338	3,778,743	4,400,515
Total undiscounted financial liabilities	11,133,352	2,954,094	3,778,743	4,400,515

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's borrowings at variable interest rates are exposed to the risk of change in cash flow due to changes in interest rate.

Interest rate sensitivity analysis

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:

Group	2016 RM	2015 RM
Fixed rate instruments		
Financial liabilities		
Finance lease liabilities	(602,545)	(168,667)
Floating rate instruments		
Financial liability		
Term loan	(7,419,458)	(6,950,000)
Company		
Floating rate instruments		
Financial liability		
Amount owing to a subsidiary	(7,419,458)	(6,950,000)

The following table illustrates the sensitivity of loss to a reasonably possible change in interest rates of +/- 50 basis points ('bp'). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Increase/(Decrease) on profit/(loss) for the financial year/equity				
+50bp	37,852	35,853	35,924	34,750
-50bp	(37,852)	(35,853)	(35,924)	(34,750)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

At 31 December 2016 **Group**	**Note**	**Weighted average effective interest rate** **%**	**Within 1 year** **RM**	**1 - 2 years** **RM**	**2 - 3 years** **RM**	**3 - 4 years** **RM**	**4 - 5 years** **RM**	**More than 5 years** **RM**	**Total** **RM**
Fixed rate									
Finance lease liabilities	19	6.77	108,198	133,530	360,817	-	-	-	602,545
Floating rate									
Term loan	18	4.05	718,200	718,200	718,200	718,200	718,200	3,828,458	7,419,458
Company									
Floating rate									
Amount owing to a subsidiary	20	4.05	718,200	718,200	718,200	718,200	718,200	3,828,458	7,419,458
At 31 December 2015 **Group**									
Fixed rate									
Finance lease liabilities	19	4.90	72,000	40,000	40,000	16,667	-	-	168,667
Floating rate									
Term loan	18	4.30	668,985	729,802	729,802	729,802	729,802	3,361,807	6,950,000
Company									
Floating rate									
Amount owing to a subsidiary	20	4.30	668,985	729,802	729,802	729,802	729,802	3,361,807	6,950,000

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The maximum foreign currency exposure as at reporting date is detailed in respective notes to the financial statements.

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the functional currency of the Group and which are mainly denominated in United States Dollar ('USD') and Singapore Dollar ('SGD').

The Group is also exposed to currency translation risk arising from its net investment in the foreign operations in Singapore. However, the impact is low as it is considered to be long-term in nature.

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a 1% (2015: 1%) change in the USD and SGD against the functional currency of the Group, with all other variables held constant. Carrying amounts of the Group's exposure to foreign currency risk are as follows:

Group	USD RM	SGD RM	Total RM
2016			
Financial assets	10,621,482	1,738,449	12,359,931
Financial liabilities	(1,311,916)	(587,184)	(1,899,100)
Net exposure	9,309,566	1,151,265	10,460,831
2015			
Financial assets	8,473,428	2,345,832	10,819,260
Financial liabilities	(584,790)	(166,615)	(751,405)
Net exposure	7,888,638	2,179,217	10,067,855

If the RM had strengthened against the USD and SGD by 1% (2015: 1%) then this would be the impact:

	<--Decrease on profit/(loss) for the financial year/equity-->		
	USD RM	SGD RM	Total RM
31 December 2016	93,096	11,513	104,609
31 December 2015	78,886	21,792	100,678

If RM had weakened against the USD and SGD by 1% (2015: 1%) respectively then the impact to profit/(loss) for the financial year/equity would be the opposite effect.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 15 November 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in Idimension Agrisoft Sdn. Bhd. ('IASB') which was satisfied by the capitalisation of RM1,000,000 owing by IASB to the Company. Consequently, there was no change in the effective equity interest held by the Company in IASB.

(b) On 30 December 2016, the Company subscribed for an additional 1,000,000 ordinary shares of RM1.00 each in a wholy-owned subsidiary, Idimension Systems Sdn. Bhd. ('ISSB'). The total cash consideration paid was RM1,000,000. Consequently, there was no change in the effective equity interest held by the Company in ISSB.

34. COMPANIES ACT 2016

The Companies Act, 2016 (New Act) was enacted to replace the Companies Act, 1965 and was passed by Parliament on 4 April 2016. The New Act was subsequently gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the effective date of the New Act, except for Section 241 and Division 8 of Part III of the New Act, to be 31 January 2017.

Amongst the key changes introduced in the New Act, which will affect the financial statements of the Group and of the Company, are the removal of the authorised share capital, introduction of no par value shares in place of par or nominal value shares, and the treatment of share premium and capital redemption reserves.

The adoption of the New Act does not have any financial impact on the Group and the Company for the financial year ended 31 December 2016 as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on the disclosures to the annual report and financial statements of the Group and of the Company for the financial year ending 31 December 2017.

35. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Total accumulated losses of Idimension Consolidated Berhad and its subsidiaries:				
- Realised	(5,979,729)	(6,246,651)	(4,217,517)	(5,056,958)
- Unrealised	365,893	(387,387)	-	-
	(5,613,836)	(6,634,038)	(4,217,517)	(5,056,958)
Less: Consolidation adjustments	(38,742)	(147,213)	-	-
Total accumulated losses	(5,652,578)	(6,781,251)	(4,217,517)	(5,056,958)

LIST OF PROPERTIES

Postal address/ title particulars	Tenure/ Expiry date of lease	Built-up area (square feet)	Descriptions / Existing use	Net carrying amount as at 31.12.2016 RM	Date of acquisition	Age of building (years)
No. 13B-4, Block D2, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	774	Storage	153,900	17.09.2009	13
No. 5-4, Block E2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	1,733	Office	307,800	19.09.2009	13
No. 7-4, Block E2, Jalan PJU 1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	1,733	Office	300,038	20.10.2009	13
No. 7-4, Block F1, Jalan PJU 1/42, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	774	Vacant	145,634	04.09.2009	13
Level 1 – 8, A-5, Block A, Pusat Perdagangan Icon City, No. 1B, Jalan SS 8/39, SS8, 47300 Petaling Jaya, Selangor Darul ehsan	Leasehold 99 years. Expiry on 4 June 2113	14,021	Vacant (Certification of completion and compliance issued on 26 August 2016)	11,201,478	30.06.2011	1

Issued Share Capital	:	494,924,359 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per shareholder on a show of hands One (1) vote per Ordinary Share on a poll

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Issued Capital
1 – 99	229	10.99	10,883	0.00
100 – 1,000	80	3.84	40,795	0.01
1,001 – 10,000	317	15.22	2,045,482	0.41
10,001 – 100,000	1,010	48.49	50,129,200	10.13
100,001 – 24,746,216 (*)	444	21.32	334,177,956	67.52
24,746,217 and above (**)	3	0.14	108,520,043	21.93
Total	**2,083**	**100.00**	**494,924,359**	**100.00**

Remarks: * Less than 5% of Issued Shares
** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders and Record of Depositors of the Company and their shareholdings are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Daniel Boo Hui Siong	73,630,443	14.88	4,545,646*	0.92
Ching Seek Fui	4,545,646	0.92	73,630,443**	14.88
Ang Beng Leong	30,000,000	6.06	17,167,000***	3.47
Lee Jong Weng#	24,889,600	5.03	-	-

* Deemed interested through the shareholdings of his spouse, Madam Ching Seek Fui's interest in the Company.
** Deemed interested through the shareholdings of her spouse, Mr. Daniel Boo Hui Siong's interest in the Company.
*** Deemed interested through his shareholdings in EClub Interactive Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.
# Based on the Record of Depositors of the Company, Mr. Lee Jong Weng is a substantial shareholder of the Company. However, the Company did not receive notification from Mr. Lee Jong Weng on his substantial shareholdings in the Company.

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Daniel Boo Hui Siong	73,630,443	14.88	4,545,646*	0.92
Pang Lee Fung	2,666,131	0.54	-	-
Tan Kian Meng	576,740	0.12	-	-
Datu Dr. Michael Dosim AK Lunjew	-	-	-	-
Collin Goonting A/L O.S. Goonting	-	-	-	-
Eric Lim Kheng Joo	-	-	-	-

* Deemed interested through the shareholdings of his spouse, Madam Ching Seek Fui's interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%) of Issued Capital
1	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Daniel Boo Hui Siong	53,630,443	10.84
2	Ang Beng Leong	30,000,000	6.06
3	Lee Jong Weng	24,889,600	5.03
4	Ang Beng Cheong	21,100,000	4.26
5	Ang Beng Hwa	20,000,000	4.04
6	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Daniel Boo Hui Siong	20,000,000	4.04
7	EClub Interactive Sdn. Bhd.	17,167,000	3.47
8	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Teo Geok Kiam	13,800,000	2.79
9	Quah Teik Jin	9,545,509	1.93
10	Shamsulbahrin bin Salleh	8,250,000	1.67
11	MERCSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Min Lin	8,120,714	1.64
12	MERCSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ho Lih Meng	6,500,000	1.31
13	Lim Lung Wen	5,229,100	1.06
14	Ng Aik Wei	5,000,000	1.01
15	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Sri Yap Ngan Choy	4,845,000	0.98
16	Tan Chee Heong	4,640,700	0.94
17	Ching Seek Fui	4,545,646	0.92
18	Chuah Kee Cheng @ Chuah Kee Beng	4,100,000	0.83
19	Lim Zhong Yong	4,000,000	0.81
20	Sua Tien Fong	3,500,000	0.71
21	Yeong Kok Wah	3,001,700	0.61
22	Chong Kee Yuon	3,000,000	0.61
23	Lim Hoe Teck	3,000,000	0.61
24	Tan Bee Lean	2,875,000	0.58
25	Khan Chong Man	2,800,000	0.57
26	Pang Lee Fung	2,666,131	0.54
27	Lim Poh Fong	2,661,800	0.54
28	Lim Tze Win	2,500,000	0.51
29	Teoh Hin Heng	2,200,000	0.44
30	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Seng Foh	2,157,800	0.44

WARRANT

Total Warrants Issued : 247,462,066
Warrant holders : 1,416

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	Percentage (%) of Warrantholders	No. of Warrants Held	Percentage (%) of Issued Warrants
1 – 99	261	18.43	8,396	0.00
100 – 1,000	95	6.71	62,103	0.03
1,001 – 10,000	298	21.05	1,853,255	0.75
10,001 – 100,000	527	37.22	24,342,008	9.83
100,001 – 12,373,102 (*)	233	16.45	169,381,083	68.45
12,373,103 and above (**)	2	0.14	51,815,221	20.94
Total	**1,416**	**100.00**	**247,462,066**	**100.00**

Remarks: * Less than 5% of Issued Warrants
** 5% and above of Issued Warrants

LIST OF SUBSTANTIAL WARRANTHOLDERS

The substantial warrantholders (holding 5% or more of the issued warrants) and their respective warrantholdings are as follows:

Substantial Warrantholders	Direct Interest		Indirect Interest	
	No. of Warrants	Percentage (%)	No. of Warrants	Percentage (%)
Daniel Boo Hui Siong	46,815,221	18.92	2,272,823*	0.92
Ching Seek Fui	2,272,823	0.92	46,815,221**	18.92
Ang Beng Leong	15,000,000	6.06	8,583,500***	3.47

* Deemed interested through the warrantholdings of his spouse, Madam Ching Seek Fui's interest in the Company.
** Deemed interested through the warrantholdings of her spouse, Mr. Daniel Boo Hui Siong's interest in the Company.
*** Deemed interested through his warrantholdings in EClub Interactive Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

DIRECTORS' WARRANTHOLDINGS

The Directors' warrantholdings are as follows:

Directors	Direct Interest		Indirect Interest	
	No. of Warrants	Percentage (%)	No. of Warrants	Percentage (%)
Daniel Boo Hui Siong	46,815,221	18.92	2,272,823*	0.92
Pang Lee Fung	1,333,065	0.54	-	-
Tan Kian Meng	288,370	0.12	-	-
Datu Dr. Michael Dosim AK Lunjew	-	-	-	-
Collin Goonting A/L O.S. Goonting	-	-	-	-
Eric Lim Kheng Joo	-	-	-	-

* Deemed interested through the warrantholdings of his spouse, Madam Ching Seek Fui's interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Warrantholders	No. of Warrants	Percentage (%) of Issued Capital
1	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Daniel Boo Hui Siong	36,815,221	14.88
2	Ang Beng Leong	15,000,000	6.06
3	Ang Beng Cheong	10,000,000	4.04
4	Ang Beng Hwa	10,000,000	4.04
5	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Daniel Boo Hui Siong	10,000,000	4.04
6	EClub Interactive Sdn. Bhd.	8,583,500	3.47
7	Choong Kean Leang	7,049,100	2.85
8	Loh Yew Cheong	6,300,100	2.55
9	Lee Jong Weng	5,063,700	2.05
10	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy	5,000,000	2.02
11	Quah Teik Jin	4,772,754	1.93
12	Tan Bee Lean	4,450,000	1.80
13	Yong Tzen Wae	3,500,000	1.41
14	Foo Mei Tee	3,000,000	1.21
15	Ching Seek Fui	2,272,823	0.92
16	Chan Chee Khang	1,994,300	0.81
17	Chuah Kee Cheng @ Chuah Kee Beng	1,950,000	0.79
18	Khor Huat Seng	1,825,000	0.74
19	Maybank Nominees (Tempatan) Sdn. Bhd. Tay Soo Cheng	1,800,000	0.73
20	Maybank Nominees (Tempatan) Sdn. Bhd. Ricky Chua Kuok Pin	1,500,000	0.61
21	Wong Chen Peng	1,500,000	0.61
22	Wong Tuck Kan	1,500,000	0.61
23	Goh Chai Seng	1,410,300	0.57
24	Ong Hua Keong	1,400,000	0.57
25	Pang Lee Fung	1,333,065	0.54
26	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Ong Ah Fook	1,300,000	0.53
27	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Boon Lay	1,260,000	0.51
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Chan Poh Chin	1,233,800	0.50
29	Khor Chun Khuan	1,200,000	0.48
30	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Lee Cheok Sze	1,177,700	0.48

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Springs 1, Nilai Springs Resort, PT 4770, Nilai Springs, 71800 Putra Nilai, Negeri Sembilan Darul Khusus on Friday, 16 June 2017 at 3:00 p.m. for the following purposes :-

A G E N D A

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note No. 7)

2. To approve the payment of Directors' fees for the financial year ended 31 December 2016. (Resolution 1)

3. To re-elect the following Directors who retire pursuant to Article 96(b) of the Company's Articles of Association:-

   (a) Mr. Daniel Boo Hui Siong (Resolution 2)
   (b) Mr. Eric Lim Kheng Joo (Resolution 3)

4. To re-appoint Messrs. BDO as the Company's Auditors for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration. (Resolution 4)

5. As Special Business:

   To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary resolutions:-

   ORDINARY RESOLUTION 1
   - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

   "**THAT** subject to Sections 75 and 76 of the Companies Act, 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

   AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 5)

   ORDINARY RESOLUTION 2
   - PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230 OF THE COMPANIES ACT, 2016

   "That the benefits payable to the Directors under Section 230 of the Companies Act, 2016 up to RM23,100 from 31 January 2017 to the Eighth Annual General Meeting of the Company be and is hereby approved for payment." (Resolution 6)

6. To transact any other ordinary business for which due notice has been given.

By Order of the Board

Chua Siew Chuan (MAICSA No.: 0777689)
Chin Mun Yee (MAICSA No.: 7019243)
Company Secretaries

Kuala Lumpur
28 April 2017

Explanatory Notes to Special Business:

1. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016

   The proposed adoption of Resolution 5 is for the purpose of granting a renewed general mandate ("**General Mandate**") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting ("**AGM**") of the Company.

   The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s).

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixth AGM held on 17 June 2016 and which will lapse at the conclusion of the Seventh AGM.

2. Payment of benefits payable to the Directors under Section 230 of the Companies Act, 2016

   The proposed adoption of Resolution 6 is for the purpose of approving the Directors' benefits up to RM23,100 payable comprise meeting allowances. The total estimated amount of the Directors' benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings from 31 January 2017 until the next Annual General Meeting.

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 June 2017 shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to more than one (1) proxy at the Meeting. Where a member appoints two (2) proxies or more, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the Meeting.

4. The instrument appointing a proxy shall be in writing and in case of an individual, shall be signed by the appointer or by his attorney; and in case of corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf for the corporation.

5. Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

7. The Agenda item No. 1 is meant for discussion only, as the provisions of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

IDIMENSION
IDIMENSION CONSOLIDATED BHD
Company No.: 925990-A
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares Held	CDS Account No.

*I/We, (full name) .... bearing *NRIC No./Passport No./Company No. ....

of (full address) ....

being a *member/members of IDIMENSION CONSOLIDATED BHD ("**the Company**"), hereby appoint:-

First Proxy "A"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or filling for *him/her

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

to put on a separate sheet where there are more than two (2) proxies

100%

or *failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Seventh Annual General Meeting of the Company to be held at Springs 1, Nilai Springs Resort, PT 4770, Nilai Springs, 71800 Putra Nilai, Negeri Sembilan Darul Khusus on Friday, 16 June 2017 at 3:00 p.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon.			
No.	**Resolutions**	**Resolution**	**For**	**Against**
2.	To approve the payment of Directors' fees for the financial year ended 31 December 2016.	1		
3(a).	To re-elect Mr. Daniel Boo Hui Siong who retires pursuant to Article 96(b) of the Company's Articles of Association.	2		
3(b).	To re-elect Mr. Eric Lim Kheng Joo who retires pursuant to Article 96(b) of the Company's Articles of Association.	3		
4.	To re-appoint Messrs. BDO as the Company's Auditors for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration.	4		
	As Special Business :			
5(i).	Ordinary Resolution 1 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	5		
5(ii).	Ordinary Resolution 2 - Payment of benefits payable to the Directors under Section 230 of the Companies Act, 2016.	6		

* strike out whichever not applicable

Signed this .... day of ...., 2017

....
Signature of Member/Common Seal

Fold this flap for sealing

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 June 2017 shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to more than one (1) proxy at the Meeting. Where a member appoints two (2) proxies or more, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
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AFFIX
STAMP
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THE COMPANY SECRETARIES

IDIMENSION CONSOLIDATED BHD (925990-A)

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

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IDIMENSION CONSOLIDATED BHD
Company No.:925990-A
(Incorporated in Malaysia)

E2-7-4, Jalan PJU 1/42A,
Dataran Prima, 47301 Petaling Jaya, Selangor, Malaysia

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Fax: +603 7803 9013
Email: sales@idimensionsystems.com